

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Thursday January 24 1985

No. 29,532

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Sleeping crisis for
U.S. deficit
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World news

Business summary

France extends Caledonia emergency

The French Government was last night pushing special legislation through the National Assembly to extend the state of emergency in New Caledonia as output of nickel, the main export, in the territory was substantially reduced by sabotage of key mining equipment.

UN famine airlift

The United Nations began an emergency airlift to prevent a famine disaster in eastern Sudan, where 200,000 Ethiopians have arrived in search of food.

Euro MPs win

European Parliament won a crucial round in its battle to prove that the 10 member-states of the EEC have contravened the Treaty of Rome by failing to agree a common transport policy.

Springer 'kidnapped'

Swiss police fear that Sven Axel Springer, grandson of millionaire German publisher Axel Springer, may have been kidnapped. He is missing from his school near Schur.

Lords on TV

Britain began televising the House of Lords for a six-month trial period.

Chernenko illness

Soviet President Konstantin Chernenko has been prevented by illness from fulfilling public functions but his condition is not grave, Soviet officials told foreign diplomats.

General charged

The Philippine military's chief general, Fabian Ver, and two other generals and 23 men were charged in connection with the murder of opposition leader Benigno Aquino.

Servicemen killed

Twenty-one American servicemen are feared to have died when a U.S. military transport aircraft crashed into the sea near the port of Trujillo, Honduras.

Talks 'near collapse'

Salvadoran left-wing guerrilla leaders said in Mexico City that talks aimed at ending five years of civil war were on the brink of collapse.

Zimbabwe elections

Zimbabwe Premier Robert Mugabe said the first post-independence elections, originally planned for this month, would be held in March.

Pakistan election

Pakistan's military Government will go ahead with a general election next month, despite a boycott call by the main opposition alliance.

S. Africa forum

The South African Cabinet is to consider the establishment of a new negotiating forum to give blacks a greater say in political reform.

Dominica retrial

The British Privy Council (private counsellors to the Queen) ordered the retrial of former Dominica Prime Minister Patrick John on charges of plotting to overthrow the Caribbean island's elected government in 1981.

Racal warns on full-year profits

RACAL, British electronics group, said pre-tax profits fell by £1.55m to £47.18m (£52.37m) in the six months to October 12. Chairman Sir Ernest Harrison said full-year profits would be substantially below group's expectations because of a 'major hiccup' at its U.S.-based Racal-Vadic company.

Heavy lorries used to move mineral ore, bulldozers and earth moving equipment were put out of action by unknown raiders, at the Koukouma mine, the largest on the islands.

The state of emergency is to be extended until June 30, just before the referendum on the island's future.

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Sterling at record low despite threat of intervention

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

THE POUND fell by 14 Cents in London yesterday to a record low closing price of \$1.1105 despite the threat of concerted intervention by central banks which now hangs over the foreign exchange markets.

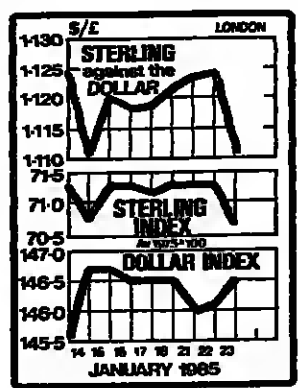
The pound's weakness reflected the continued strength of the dollar in the wake of buoyant economic statistics and market rumours about a cut in Saudi Arabian oil prices.

The widespread selling of dollars by central banks on Tuesday appears, however, to have had a subduing effect on the markets yesterday. Uncertainty about the attitude of the U.S. Federal Reserve to the central bank cartel - agreed in Washington last week - underpinned the mood of caution.

One London dealer remarked yesterday: "The market is scared stiff about what the central banks might do next."

Officials in London strongly suggested that the Fed had sold dollars in New York last Friday and on Tuesday night as part of the joint agreement to restrain speculative rises of the dollar against European currencies.

However, Mr James Baker, U.S. Treasury Secretary-designate, told the Senate Finance Committee yesterday that the U.S. had not yet



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joined the concerted official effort to sell dollars, "as far as he knew."

He said the Administration still had serious doubts about the effectiveness of intervention in the currency markets but he confirmed that the U.S. had agreed with the four other largest democracies to take part in concerted intervention when all agreed it would be helpful.

Officials in London were anxious to emphasise the U.S. agreement they suggested that intervention on Tuesday might not have been sufficiently large to be brought to Mr Baker's notice.

Yesterday, the central banks stood aloof from the markets as the

pound fell against currencies in continental Europe as well as the dollar. The Bank of England Sterling index finished in London at a record low of 70.7; almost 1 per cent below its London close on Tuesday.

Traders said that although selling pressure was steady, volume was not unusually high and the general mood of the market was calm and cautious.

The main impetus for sterling's weakness appears to have been an unconfirmed report that Saudi Arabia was set to cut oil prices by \$2 to \$3 per cent barrel. This was subsequently denied by Saudi officials and appears not to have been taken seriously by the European authorities.

On Monday, Mr Nigel Lawson, Britain's Chancellor of the Exchequer, is due to appear before the U.S. Treasury and Civil Service Committee to describe his policy towards the exchange rate.

He is likely to confirm his view, shared by the U.S. Administration, that central bank intervention

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Lex: Transatlantic air fares set to rise, Page 24; Money markets, Page 47; Stock markets, Section III

Volvo to invest SKr 2bn in new assembly plant

BY OUR NORDIC CORRESPONDENT IN GOTHENBURG

VOLVO, the Swedish motor vehicle group, is planning to invest up to SKr 2bn (£221m) in a new car assembly plant as part of a SKr 15bn to SKr 20bn capital expenditure programme in new plant and equipment over the next five years.

It is also planning product development spending that could total SKr 15bn over the same period from 1985 to 1989.

The decision to build a new car plant comes at a time when there is around 16 per cent overcapacity in the European car industry. Most of Europe's volume car producers are running up heavy losses, but specialist car producers, such as Volvo, Saab, Daimler-Benz, and BMW, are still enjoying strong demand for their products, and the two Swedish groups are achieving record profits.

Volvo's 1984 earnings, also announced yesterday, jumped by 102 per cent before tax and allocations to reserves to a record SKr 7.8bn, against SKr 3.78bn in 1983.

Despite the big jump, Volvo's results were lower than forecast and disappointed market expectations. This was chiefly because of a poor fourth quarter, which was burdened by exchange losses of SKr 286m and write-offs of SKr 270m on shares held in Scandinavian Trading Company, Volvo's oil trading subsidiary.

Profits before tax and allocations to the final quarter of 1984 totalled SKr 643m, compared with SKr 589m in the corresponding period of 1983.

In addition, the preliminary result for the whole of 1984 was inflated

by extraordinary profits of SKr 1.38bn derived from major share disposals in the first half of the year.

Operating income for 1984 rose by 47.7 per cent to SKr 6.6bn from SKr 4.5bn a year earlier.

Volvo group turnover fell by 12.3 per cent to SKr 67.2bn from SKr 75.5bn in 1983, chiefly as a result of a big drop in oil trading operations, which ran up a huge loss in 1983, as well as the exclusion of the Sonesson engineering group from Volvo's consolidated figures.

Excluding energy operations and Sonesson, Volvo sales rose by 22 per cent.

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Joint venture with Clark, Page 25; Novel loan facility, Page 48

Fiat cautious on prospects after 23% profits increase

BY JAMES BUXTON IN ROME

FIAT, Italy's large private sector industrial group, last year produced a 23 per cent increase in group operating profit. But total sales rose by only 6 per cent, and Sig Gianni Agnelli, the company's chairman, yesterday gave shareholders a distinctly cautious view of the company's prospects for 1985.

The group, just over half of whose sales are accounted for by Fiat Auto, the car subsidiary, had consolidated sales of L23,206bn (\$11.9bn) in 1984, compared with L21,885bn in 1983. Consolidated operating profits at group level were about L1,800bn, equal to almost 7 per cent of turnover, compared with L1,302bn in 1983.

This is a measure of the company's performance before taking into account interest charges and taxes. In 1983 the group consolidated net profit, which Fiat usually announces later in the year, came to L253.4bn.

Fiat's net indebtedness fell 19 per cent to L4,400bn at the end of 1984. The reduction of L1,000bn is largely due to the successful capital in-

crease the company carried out on the Milan Stock Exchange last year.

Investment and research and development spending was slightly up at L2,158bn, compared with L2,009bn in 1983. Most of this was covered by self-financing, which amounted to about L1,800bn.

Sig Agnelli blamed the small growth in sales on "unexciting" market conditions and on a policy of holding down prices in several sectors. But he said that the parent company would produce better results than 1983's net profit of L214bn.

The chairman warned shareholders in a letter that the reduction in Italy's inflation rate over the past two to three years might not continue in 1985, mainly because of increases in the cost of labour. He believed, however, that the reforms Fiat had made in the past few years had made it better able to ride out such problems.

Fiat Auto, the Turin-based company's largest subsidiary, produced sales of L12,500bn in 1984, a 5 per

cent increase over 1983. Vehicle production was up 3.6 per cent at L27m. The company claims to have increased its share of the European market to 13.3 per cent from 12.8 per cent in 1983.

Its share of the Italian market went down by 1.1 per cent last year but still amounted to 54.3 per cent, by far the largest share of a domestic market held by a European manufacturer.

Fiat's industrial vehicles division, centred on Iveco, saw a marginal increase in turnover from L4,517bn to L4,570bn. Fiat says the division suffered heavily from price discounting on the Italian market where Iveco retained a 60 per cent share of a declining market.

The agricultural tractors division, centred on Fiat Trattori, had sales of L1,943bn, up 12 per cent in 1983. The company increased its share of the European market from 15 to 16 per cent, and succeeded in pushing up sales in Italy where it won 43 per cent of the market.

Pan Am places \$269m engine orders

By Michael Donne in London

PAN American World Airways has placed a \$125m contract for the new international V-2500 aero-engine to power the first 18 European Airbus A-320 150-seater airliners it ordered last September for service in the late 1980s.

The deal - the first firm contract announced for the international Aero Engines V-2500 - is part of a complex aero-engine package announced yesterday by the U.S. airline in New York and London.

The package included a \$144m contract for the new Pratt & Whitney PW-4000 engine for the 12 bigger 230-seat Airbus A-310 airliners Pan Am is also buying.

The total deal, of about \$269m excluding spares, will eventually be worth much more.

Pan Am has an option on another 34 A-320s, that will, if taken up, also use the V-2500 engine, and involve outlays of another \$265m.

Pan Am also has an option on another 13 A-310s, which will involve further orders for the PW-4000 engine, worth at least another \$156m.

In all, Pan Am has either placed, or is likely to place, firm aero-engine orders, worth nearly \$700m, covering its Airbus purchases. If spares are included, the value of engine orders could rise to \$1bn.

This will represent about half the estimated total of \$2bn that Pan Am is spending on its Airbus fleet, for delivery from the late 1980s through the 1990s.

The Pan Am deal effectively launches the V-2500 and the PW-4000 into world airline markets.

The V-2500 is being built by International Aero Engines (IAE) a consortium, in which Rolls-Royce and Pratt & Whitney each have a 50 per cent stake. The Japanese Aero-Engine Corporation has a 23 per cent stake, MTU of West Germany 11 per cent, and Fiat Aviazione of Italy 6 per cent.

This engine, of about 25,000lb thrust, has been designed for the new generation of 150-seat airliners. Mr Robert E. Rosati, IAE's president and chief executive, said yesterday: "We see a demand over the next 15 years for \$25bn to \$30bn worth of engines for the A-320, and other new airliners from McDonnell Douglas and Boeing of the U.S."

"We believe that V-2500 orders will grow steadily to meet this need, and that we will capture a very significant part of the market."

IAE won the Pan Am contract after fierce competition from the Franco-US (Socma-General Electric) CFM-56-5 engine.

Increase for United Technologies, Page 25

Nordic states plan new links and investment

BY KEVIN DONE IN GOTHENBURG

FINANCE MINISTERS from the five Nordic countries yesterday reached agreement on a far-reaching economic co-operation package, including investments totalling around Nkr 2.5bn (\$273m) in new road and rail construction projects.

They plan to finance the road and rail schemes with a new Nkr 4.5bn loan facility at the Nordic Investment Bank (NIB) to avoid immediate pressure on stretched national budgets.

The NIB will increase its borrowing in both domestic and international capital markets, and the bank's equity base is to be increased by Nkr 200m through injections of new capital and guarantees from the five Nordic states, Sweden, Denmark, Finland, Norway and Iceland.

The investments in improved road and rail links chiefly involves the speeding up of projects planned for the late 1980s and early 1990s and will be spread over the five years 1986-90.

Expenditure will be concentrated on improving road links from the west of Sweden to Norway, as well as across Denmark to continental Europe and from Helsinki to Turku to link with the ferries to Sweden.

In the west of Sweden, the road-building programme is being co-ordinated with measures announced yesterday to create new

jobs in the Uddevalla region, where a major source of employment, the Uddevalla shipyard, is to be closed, with the loss of around 2,500 jobs.

Volvo, the Swedish automobile group, said yesterday that it is planning to build a SKr 2bn car assembly plant in Uddevalla, providing around 1,000 new jobs. A final decision is expected during the spring.

The Nordic action programme, announced after yesterday's meeting of finance ministers in Helsinki, comes in response to demands from the Nordic Council - a body made up of members of national parliaments - for co-ordinated action to stimulate economic growth and cut unemployment.

The number out of work was running close to 1m in the Nordic region during the last few years. Unemployment is still close to 10 per cent in Denmark, although rates have been reduced in Sweden and Norway, partly through increased spending on job-creation measures.

The package is also a response to growing political pressures on national governments in Scandinavia to increase Nordic co-operation efforts.

The cause of greater Nordic integration is enjoying something of a renaissance following several years in which it aroused little enthusiasm.

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Apple plans assault on business market

BY LOUISE KEHOE IN CUPERTINO, CALIFORNIA

APPLE COMPUTER, the U.S. personal computer pioneer, yesterday announced plans for an assault on the office automation market at its annual shareholders' meeting. The move will bring Apple into head-on competition with IBM, which dominates the business market for personal computers.

With sales of its Macintosh computer flattening and increased competition in the home and educational markets where it is strongest, Apple aims now to increase its sales to businesses.

"Apple is not a known player in the office market yet," said Mr John Sculley, Apple's president. He believes that Apple has two years in which to establish itself as a major participant in the business market. "Our goal is to become the alternative to IBM," he added. Apple will concentrate sales efforts for its new

office products on small and medium-size businesses, although the company wants to make some "showcase" sales to big companies first.

In its efforts to increase its penetration of the office market, Apple will form "strategic alliances" with one or two major companies, Mr Sculley said. He declined to name Apple's future partners, but expects to make an announcement later in the year.

Apple also revealed plans for "Gateway" products that will allow its personal computers to communicate with IBM mainframe and personal computers.

To boost sales of its Macintosh and Lisa computers, Apple announced drastic price reductions. The 512K upgraded version of Mac-

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EUROPEAN NEWS

France extends emergency in New Caledonia

By DAVID HOUSEGO IN PARIS

THE FRENCH Government was last night pushing special legislation through the National Assembly to extend the state of emergency in New Caledonia as nickel output on the territory was substantially cut by sabotage to key mining equipment.

Heavy lorries used to move mineral ore, bulldozers and earth moving equipment were put out of action by unknown raiders at the Kouaoua mine, the largest on the islands. The incident followed the setting fire to equipment at Thio, the territory's other major mine, last week.

Nickel accounts for a third of the territory's gross national product and 90 per cent of its export earnings. Separatist leaders denied responsibility for the damage while M. Jacques Lafleur, a spokesman for the French settlers called it an "economic catastrophe."

In a broadcast to the territory, M. Edgar Pisani, the High Commissioner to New Caledonia, warned that the state of emergency would need to be extended for a long period to "remove the mounting spiral of violence."

But he claimed that a plan to get the nickel mines back into production was in hand.

The legislation announced after yesterday's cabinet meeting provides for the state of emergency to be extended until June 30—or just before the referendum on the island's future.

Though the Socialists have an absolute majority in the National Assembly, the Senate, where the opposition is in a majority was threatening last

night to press for substantial amendments. It wanted the state of emergency limited to an additional month and for the Government's powers over expulsions and Press freedoms to be curbed.

Emphasising the Government's isolation, the Communist yesterday voted against a measure. Front page editorial in the Communist daily, L'Humanité, said that the legislation marked a return to arbitrary rule and "a colonialism that it is time to renounce once and for all."

The opening of the debate in the Assembly came shortly after the arrival in Paris of M. Jean-Marie Tjibaou, leader of the FLNKS separatist movement. Opposition leaders in New Caledonia, including M. Jacques Chirac, the Mayor of Paris, and M. Raymond Barre, the former Prime Minister, declined to see him.

Reflecting the hardening of views among the Melanesian separatists, M. Tjibaou said that even if they were defeated in the referendum they would continue the struggle for independence.

Our Commodities Staff adds: New Caledonia is still an important supplier of nickel, though its share of the world market has declined sharply in recent years. In 1979, it accounted for 17 per cent of world supplies, but the first half of last year the figure was down to 8.6 per cent.

News of the sabotage helped to lift prices for nickel on the London Metal Exchange to \$2,400 a tonne yesterday, but the weakness of sterling remained the main influence on the market.

French current account deficit falls to FFf 600m

By PAUL BETTS IN PARIS

FRANCE SHARPLY reduced its current account deficit last year to FFf 600m (€55m), according to provisional figures from the Economy Ministry. The deficit was FFf 33.8 in 1983 and FFf 78.3bn the year before.

The substantial improvement reflects the big decline in the trade deficit last year and strong tourist earnings. The trade deficit was reduced to FFf 19.3bn from FFf 43.3bn in 1983 and FFf 93.5bn in 1982. The tourism surplus totalled FFf 27.7bn last year.

Italy recorded a L282bn (€128m) balance of payments surplus last year, significantly down on the L3,793bn (€1.7bn) the year before, writes Alan Friedman in Milan. A key repayment last month, which resulted in a December bal-

reason was a large foreign debt once of payments deficit of L2,447bn.

The Bank of Italy's total net reserves, however, showed an increase of L5,270bn last year, to L82,000bn.

The central bank said last night that there had been a net capital inflow to the banking system last year of L4,968bn which was mostly composed of short-term bank-to-bank inter-bank deposits. Italian banks' total foreign indebtedness at the end of the year was L29,000bn.

Last June, the central bank, concerned at a large rise in overseas borrowing, imposed a ceiling on the total level of debt which Italian banks may incur. The measure is expected to remain in place at

Move to boost building and civil engineering

By OUR PARIS CORRESPONDENT

THE FRENCH Government yesterday announced a modest package of measures designed to stimulate activity in the depressed building and civil engineering sectors.

The measures include increased interest subsidies for purchasers of first houses, larger tax deductions on interest payments, more flexibility for landlords to increase rents and a speeding up of government allocations for public works programmes.

These measures are unlikely to provide more than a marginal boost to the economy as a whole because the tax and interest subsidy elements will have the net effect of switching some

household spending to the construction industry at the expense of other sectors.

The measures follow strong pressure from the construction industry which has been suffering from a combination of a sharp fall in new housebuilding, a decline in infrastructure spending by the Government, and a fall-off in export orders as Italian banks may incur.

According to Insee, the official statistics institute, the construction industry alone shed some 73,000 jobs last year after a 60,000 drop in 1983. It suffered a 4 per cent decline in turnover last year to FFf 250bn (€22.9bn).

Bonn gives go-ahead to reprocessing project

By Rupert Cornwell in Bonn

The West German Government yesterday unleashed a new environmental row here by giving the go ahead for plans, costing anything up to DM 10bn (€2.5bn), for the country's own commercial nuclear fuel reprocessing plant.

A final decision for the facility's site—either in Draburg in Lower Saxony close to the East German frontier or at Wackersdorf in Bavaria—will only be taken on February 10 by DLR, the company set up by electricity utilities to deal with the problem of handling nuclear waste.

But the move has already drawn fierce opposition from the Left and other environmentalist groups. The Social Democrats (SPD) branded the decision "irresponsible," while the radical Greens, a group of whose popularity derives from their championing of environmental causes, were in prear last night after their request for an emergency Bundestag debate today was turned down last night.

However, the cabinet, and in particular Herr Helmut Riesenhuber, the Technology Minister, are determined to override this criticism. In their conviction that West Germany must keep up its technology in the nuclear waste disposal field.

Britain and France already have their own reprocessing facilities. But Bonn's plans have been confused, despite the fact that nuclear power stations which produce the spent fuel, now account for almost 18 per cent of the country's electricity output.

Last year, a bizarre controversy developed after revelation that three West German companies had been negotiating with China for the possible storage of nuclear waste under the Gobi Desert.

That has now been laid to rest. But many other experts, meanwhile, have argued that it would be more economical—and no more dangerous—to dispose with reprocessing and dispose of the waste in Germany itself.

Herr Riesenhuber confirmed yesterday that work on a storage facility, in underground salt deposits at Gorleben in Lower Saxony would continue, despite the reprocessing plans.

In an effort to allay the fears of the environmentalists, Herr Riesenhuber stressed that reprocessing technology was now 20 years old, and of proven reliability.

Fee groups have long pointed out that the plutonium produced in reprocessing plants could one day be used for making nuclear weapons. But the minister promised that it would in fact be largely recycled as new fuel for power stations—and that in any case enough plutonium for such purposes already existed in the country.

More broadly, the Government argues that nuclear energy is the cheapest fuel option for West Germany, despite the cost of waste disposal. Coal-fired stations have become much more expensive now that they must be fitted with scrubbers to curb sulphur dioxide.

The cabinet yesterday approved plans for cuts in motor tax for existing cars which are fitted with converters to cut exhaust pollution. While this measure, lowering annual tax to DM 1320 per 100 cc of engine capacity from the current DM 1440 could come into effect from July, cars without the devices will face a tax of DM 1850 per 100 cc of capacity, possibly from January 1986.

Moscow admits to Chernenko's ill health

By PATRICK COCKBURN IN MOSCOW

SOVIET officials have confirmed that President Konstantin Chernenko was too ill to attend the Warsaw Pact summit cancelled last week in Bulgaria.

Mr Vadim Zagladin, a senior Communist Party official, told M. Jean-Michel Baylet, the French Secretary of State for External Relations, that the meeting did not take place because the President was not well enough to travel.

Mr Chernenko, who is aged 73 and suffers from respiratory complaints, has not been seen in public for a month. His absence has fuelled speculation among diplomats in Moscow about the state of his health.

Soviet officials, who dislike discussing the health, or lack of it, of the leadership, ascribed the

six-month absence of the late Soviet President, Mr Yuri Andropov, to a cold until he died of kidney failure in February last year.

The next important occasion when President Chernenko is due to attend is a visit by Mr Andreas Papandreu, the Greek Prime Minister, who is to arrive in Moscow on February 11.

The illness of the President is unlikely to have a significant impact on foreign policy which is very much the chief of Mr Andrei Gromyko, the Foreign Minister, who has held his post since 1957.

In a long interview on Soviet television after his return from his talks with Mr George Shultz, his U.S. opposite number in Geneva, Mr Gromyko showed

himself very much in command of himself and of the situation. The Soviet approach to the disarmament talks since the middle of last year is to focus all their attention on "Star Wars."

President Ronald Reagan's proposal to research an effective anti-ballistic missile system, the deployment of cruise and Pershing 2 medium-range missiles in Western Europe, the original cause of the Soviet walkout from Geneva, are now seldom mentioned in the Soviet Press.

Moscow is clearly conscious of West European reservations on research into Star Wars, not to mention its testing and deployment.

Mr Mikhail Gorbachev, the number two to President

Chernenko in the ruling Politburo, repeatedly mentioned the threat of Star Wars to the balance-of-power between the U.S. and Soviet Union during his visit to Britain last month.

AP adds: The Communist party daily newspaper, Pravda, claimed yesterday that Nato is divided over U.S.-Soviet arms control talks, with the West European powers pushing more eagerly than the U.S. for limits on space and nuclear arms.

The recent Geneva agreement to begin talks on limiting space and nuclear weapons met with "great satisfaction" in West European countries.

What it alleged were attempts by Nato to discount the reported differences between

Washington and the European allies "arrest to the germination of new super military-political contradictions in the alliance," it said.

"Indicative in this respect are warnings made specifically within political circles of European NATO member states against the role of passive on-lookers, or the role of spectators, during the forthcoming Soviet-U.S. talks."

West Europeans, it said, fear the hopes of limiting space and nuclear weapons and broadening détente will not be realised and thus "a dispute is under way as to whether the Western European states might contribute through their vigorous actions to attaining the goals which have become visible."

Swedish shipbuilding is dwindling away, reports David Brown

Lame duck even billions cannot cure

By David Brown in Stockholm

WHEN THE Swedish state-owned shipbuilder Svenska Varv decided to close its Uddevalla yard last December, 2,400 jobs were lost. They were the latest contribution to a decline that has seen employment dwindle from 31,500 jobs a decade ago to about 13,000 today.

The contraction in shipbuilding in Sweden, once the world's second largest merchant shipbuilder after Japan, has followed a fall in its market share from fully 10 per cent to about 2 per cent of new building in 10 years.

In 1977, the Swedish Government took over most of the country's private shipbuilding yards, which were on the verge of bankruptcy. This was due in part to the decision to concentrate on building large bulk and oil transport vessels. A global surplus of such vessels later developed, and world shipbuilding overcapacity is at least 40 per cent.

Between 1977 and 1982, the Government took some SKr 20bn (€1.95bn) in restructuring subsidies into the new Svenska Varv (Swedyard) group. Total losses during that period were SKr 8.8bn. Two of the large west coast yards, Eriksberg and Oresund, were closed and Kockums and the Karlskrona military shipyard suffered cuts.

But further subsidies are now being denied to the sector. The governing Social Democrats are intent on weeding out industrial

lame ducks, and concentrating their industrial strategy on high technology research and development spending.

"There is no future in building simple vessels like tankers and bulk carriers," said Mr Thage Petersen, the Industry Minister. "We cannot afford the huge costs that would be required to keep the Uddevalla yard afloat."

The decision to close the yard, which had been unable to secure a single order last year, leaves Sweden with only one civilian new building operation—Kockums—which has successfully concentrated on advanced container ships, speciality roll on/roll off vessels and cruise liners.

Another successful area of concentration has been the offshore sector—production, diving and accommodation rigs—

which now accounts for a third of the group's total SKr 9.4bn turnover.

In 1983, Swedyard moved out of the red for the first time in its history, helped not only by its new-found efficiency but also by Sweden's 16 per cent devaluation of the krona in late 1982 and showed a profit of SKr 312m before extraordinary gains. It had hoped to post a profit of the same magnitude in 1984, but was forced in late November to sharply downgrade this forecast.

Especially hard-hit have been the repair and rebuilding operations, where heavy competition has pressed prices down, by as much as 80 per cent from the level a year earlier. Losses at

the Cityvarvet yard climbed from SKr 6m to SKr 52m for the first eight months. A further 16 per cent of its workers are to be laid off and this may only be a first step.

The cost of shutting down Uddevalla, which could reach as high as SKr 400m, may be charged against this year's results, the company says. Even the Gotaverken Arendal offshore yard, which generates the bulk of group profits and won a number of significant new orders last year, expects lower earnings. At the end of eight months profits had dropped from SKr 191m to SKr 30m.

Despite tremendous capacity cutbacks, specialisation, and one of Europe's highest rates of efficiency, the future remains uncertain. If Uddevalla cannot



Sweden's Shipyards

survive without Government aid, Mr Ingvar Torgren, its managing director, it is possible for any continental shipbuilder to do so.

The answer may come from Mr Rone Carlsson, Sweden's Minister in charge of state-run companies. "It would be a mistake," he says, "to suggest that the group is now stumbling down some broad path to glory."

Commission blocks subsidies in France

By PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Commission has frozen the flow of French government subsidies to Normed and Alstom-Atlantique, in the shipbuilding sector, and to Boussac, the financially beleaguered textiles group.

The French Government has a month to justify the aid, but while the Commission is investigating the cases, no funds can be passed over.

This is the first indication that the new Commission competition authorities are

prepared to follow the stringent line on state subsidies pursued by their predecessors until the change-over on January 7. France was continually at odds with the old Commission on state aids offered, for example, to the textile sector and to paper companies like Chapelle-Dirley.

The Commission complaint in the shipbuilding sector covers FFf 30m (€275m) to ease the cash problems of Normed and grants of

FFf 300m to Alstom.

Under the special regulations covering shipbuilding in the EEC, aid should be linked to reductions in capacity, but the Commission said yesterday it had received no indication that such a link existed. Further, the subsidies are not permitted without Commission approval and that had not been sought.

The Boussac case involves subsidies of FFf 48m (€44m) the provision of which the Commission believes could distort trade in

the EEC. Again, the Commission has complained that it has not been notified of the subsidy plans by the French Government.

The Commission investigation has been seriously misled by Western banks and governments alike—into underestimating the difficulties of obtaining multi-year debt relief.

Talks with commercial banks, broken off last week in London, however, are likely to resume within two to three weeks.

possibly after a new round of negotiations, starting on February 17, with the International Monetary Fund. The latter talks are aimed at concluding a stand-by arrangement from April 1. Yugoslavia also expects to meet Western creditor governments again soon in Paris.

Yugoslavia feels misled over debt

By Aleksandar Lobi in Belgrade

YUGOSLAVIA IS still confident of reaching an early rescheduling agreement on its 1985-88 commercial bank debt, but feels it has been seriously misled by Western banks and governments alike—into underestimating the difficulties of obtaining multi-year debt relief.

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possibly after a new round of negotiations, starting on February 17, with the International Monetary Fund. The latter talks are aimed at concluding a stand-by arrangement from April 1. Yugoslavia also expects to meet Western creditor governments again soon in Paris.

The London talks with the banks are said to have made substantial progress, with both sides clarifying their positions and paving the way for an early agreement on rescheduling the 1985-88 commercial debt of \$3.5bn.

The Belgrade authorities, however, also seem to realise that obtaining multi-year debt relief has proved far harder than they originally hoped. At the outset, they had thought that the even, three-way distribution of Yugoslav obligations between Western banks, governments, and international institutions would work to their advantage.

But first, Western governments failed, in Belgrade's eyes, to live up to their London economic summit offer last year of multi-year rescheduling and insisted on year by year debt negotiations.

Then, the banks, despite their agreement in principle to rescheduling the next four years' debt, are now insisting on "serial" arrangements implemented stage by stage over 1985-88. Even another IMF standby, which Yugoslavia originally hoped to do without, is proving longer to negotiate than initially thought.

However, performance of the economy is improving, according to the latest official figures which estimate a \$350m current account surplus in hard currency for 1984 well in excess of the \$200m agreed earlier with the IMF. Most of the proceeds will go to replenish national bank reserves.

The hard currency trade deficit also fell from \$1.2bn in 1983 to \$1.7bn last year. Despite declining export prices, the value of exports rose 4 per cent and imports 2 per cent.

Norway may scale down gas development

By DOMINIC LAWSON

NORWAY IS preparing an important switch in its oil and gas policy, Mr Arild Rodland, Deputy Energy Minister, said in London yesterday. The idea is to accelerate the development of unexploited oil reserves and reduce the emphasis on gas.

The move appears to have been caused by the belief that Britain will shortly reject the British Gas Corporation's (BGC) plan to buy \$30bn (€24.2bn) worth of gas from Norway's undeveloped Sleipner field.

Norway's energy policy has been based partly on the assumption that the BGC would be given the go-ahead to buy the gas, having agreed commercial terms with Statoil, the state oil company, last February.

However, the UK Government has serious objections to the deal, partly because it is dominated by increasingly expensive dollars, and partly because it fears that the deal will export jobs to Norway.

It has said that it will give a decision by the end of this month, but Mr Rodland said yesterday that he thought there was only an even chance of approval.

Several oil fields are now likely to be developed more speedily than had been planned, he said, to take the place of a gas-led development policy, if Sleipner is turned down.

The first change would be that the second phase of the Gullfaks oilfield development would be brought forward, with parliamentary approval in the spring. Mr Rodland also raised the possibility of the development of the considerable oil reserves within the giant Troll gasfield, taking place before the gas was developed.

The minister said that there were several other oil accumulations which were sufficiently large to be developed in the near future.

Norway is, essentially, now admitting that the market for gas in Europe is so much in favour of buyers, that its policy of developing large gasfields may have to be abandoned. However, the result may be that Norway will bring extra oil production on to the world's markets, at a time of considerable oil price weakness.

Of particular political sensitivity will be the Foreign Secretary's trip to Warsaw. He follows in the footsteps of Mr Malcolm Rifkind, his junior Foreign Office Minister, who aroused the ire of the Polish authorities by his contacts with Solidarity movement representatives while he visited Poland last November.

Howe to visit five East European nations

By DAVID BUCHAN, EAST EUROPE CORRESPONDENT

SIR GEOFFREY HOWE, Britain's Foreign Secretary, is to visit five East European countries in the next three months, in a marked stepping up of the British Government's East-West diplomatic activity.

Following his February 8-11 trips to Romania and Bulgaria, Sir Geoffrey plans to visit East

Germany, Czechoslovakia and Poland between April 8 and 13. The foreign office announced yesterday.

Officials described Sir Geoffrey's visits as intended to re-engage all Warsaw Pact countries in dialogue with the West and to underscore that East and West European states, and not just

the two superpowers, have a role to play. Both Sir Geoffrey and Mrs Margaret Thatcher, the Prime Minister, visited Hungary in 1983-84.

The three countries which will host Sir Geoffrey in April are often described as the "Iron Triangle" because their key geographical location in the Warsaw Pact.

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Le Monde editor signposts a brighter and richer future

By DAVID HOUSEGO IN PARIS

ATTENTIVE readers of Le Monde will have already noticed one change in the paper since M. Andre Fontaine took over the reins at the weekend as its new editor-in-chief. The front page is less cluttered and the patchwork quilt of six or seven articles has been replaced by a layout that gives prominent display to only three. A box at the foot of the page signposts the major news stories inside.

Small though the change might be, it nonetheless reflects M. Fontaine's determination to make Le Monde, which for three years has been plunged in a crisis of falling sales and mounting financial losses, easier to read and more attractive to its younger audience which has been peeling away in favour of other papers.

I am a man who believes in communication," says M. Fontaine. "A newspaper is a vehicle for talking to people."

Journalists must get it into their heads that articles are written to be read," he promises to "wage war" and emphasises the "war" against Le Monde's long-winded professorial pieces that appeal only to like-minded specialists. He says that he has already sent articles back with instructions that they are to be cut by half.

As well as simple clear language, he intends to impose a little more leadership on Le Monde and "a more clearly defined editorial line." One of the criticisms most often voiced against his predecessor, M. Andre Laurens, was that he did not provide a firm hand at the helm and that nobody knew where Le Monde stood on the major issues of domestic politics.

With France entering a turbulent political period leading up to the Parliamentary elections in 1986 and the Presidential elections two years later, M. Fontaine intends that Le Monde's voice should again be heard.

At 63, urbane and cultured, M. Fontaine is one of the most distinguished commentators in French journalism. He joined the paper in 1947 and became

associate editor in 1960, but failed in his first bid in 1980 to become editor when M. Jacques Fauvet was planning to step down. He has remained loyal to journalism, notwithstanding an offer in mid-career to become French ambassador to China.

Now that the prize has fallen into his hands and a ceasefire declared among Le Monde's warring journalistic tribes, he sees a change of atmosphere at the paper. "There is a new climate of confidence," he says. "People were fed up with the uncertainty and drift of recent years."

Defeatism has given way, he claims, to a new determination to safeguard the paper's future. He points as well to the enthusiasm of readers, as manifested in the more than 1,000 letters of congratulation he has received. But at the same time, he prudently adds, that he is now benefiting from a period of grace.

In practice M. Fontaine was elected by what one journalist calls "an unnatural alliance on the paper between the pro-Almaire and the pro-Julien lobby." M. Jacques Almaire is the foreign editor whose strong



anti-Soviet views have given him a Right-wing reputation. Briefly elected editor in 1981, he is ideologically to the left with a strong commitment to the third world. The alliance helped to bring down M. Laurens and thus indirectly to put M. Fontaine in his place.

M. Fontaine won the votes of only 60 per cent of the editorial staff, however, and is under no illusions about the strength of his support. He says he was chosen because "he staff could see no other solution" and because "I have a standing outside the paper."

His belief that the antagon-

isms will die down if the paper can be put back on its feet and morale restored is shared by many of the journalists and the financial losses that brought the clash of views into the open, says one. "If M. Fontaine can restore the paper's reputation, then the opposition will lie low."

M. Fontaine's first major test will be in three months' time when he presents his plans for the paper's future. He says that he and his editorial team will resign if it is turned down. He has brought in an experienced manager as part of his team, M. Bernard Wouts, 44, a former executive of the Bayard-Press. "I don't count myself as a newspaper manager," M. Fontaine says.

Together they are beginning again from scratch on proposals to eliminate losses which have cumulatively reached FFf 80m (€78m) over the last three years. M. Fontaine's idea is to bring in fresh capital from outside but to retain Le Monde's autonomy by ensuring that new shareholders have only a minority interest and are clearly named. Like any other shareholder,

however, they would have some powers of supervision over the management.

He also wants to lower Le Monde's overheads by sharing its printing press at Saint-Denis outside Paris with other papers. If he can do this, then he would remove the printing operations from Le Monde's headquarters in the Rue des Italiens in Paris to Saint-Denis. This would enable the headquarters building to be sold, while Le Monde looked for more modern editorial and administrative offices elsewhere.

The most difficult hurdle to be overcome in this plan will be the introduction of outside shareholders, to which many journalists remain opposed.

Though M. Fontaine has the image of being more to the right among the papers' staff, he says that he voted for M. Mitterrand in 1981. "Though I don't know how I will vote at the next election."

He believes that there are aspects of Socialist rule that have been positive. "What worries me about the Right," he says, "is their implicit assumption that they alone have the right to govern and are the only ones capable of doing it."

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates: \$42.00 per annum. Second class postage paid at New York, NY and at additional mailing offices. POSTMASTER: send address changes to: FINANCIAL TIMES, 14 East 57th Street, New York, NY 10022.

OVERSEAS NEWS

South Africa may include blacks in talks on reform

SOUTH AFRICA'S Government is discussing the possible inclusion of blacks in future talks on political reform, Dr. Gerrit Viljoen, Co-operation and Development Minister, told the Rand Daily Mail yesterday.

The idea is being debated in a Cabinet committee dealing with urban blacks, he added. A reform last year granted a minor political role to Indians and mixed-race Coloureds, but excluded the blacks who make up 73 per cent of South Africa's population.

It set up Indian and Coloured chambers in a new parliament in which whites retained overall control. Mr. T. Lekota, spokesman for the United Democratic Front (UDF), the country's leading anti-apartheid organisation, said the Government was trying to develop a formula that would divide the blacks without offering significant concessions to whites.

"We have a suspicion that the Government committee discussing urban blacks is preparing for a fourth parliamentary chamber," he said. A fourth chamber "would represent a minority" of South Africa's 22.6m blacks, most of whom live in tribal homelands set up under the policy of racial segregation.

Many blacks who lived in urban regions had been stripped of their citizenship and had been attached to the homelands, Mr. Lekota went on. The only negotiating forum acceptable to the UDF would be a convention of all race groups in the country to draw up a new, non-racial constitution and end apartheid.

In his Rand Daily Mail interview, Dr. Viljoen did not say who might be included in the proposed negotiating process. "My experience is that black leaders are open to the need for a peaceful solution, which means a give-and-take rather than a simple black majority single-state concept which, in any case, would not be accepted by the whites and would lead to deadlock."

The Government was reviewing some aspects of its policy of forcibly removing black communities into tribal homelands from areas designated for whites.

The policy, estimated by civil rights groups to have affected 3m people since 1960, has provoked widespread international condemnation.

Dr. Viljoen made clear that removals would not be halted altogether, but binned blacks due to be moved might not be forced to settle in the homelands.

Ver faces trial over Aquino murder

By Emilia Taguez in Manila

GEN FABIAN VER, the Philippine armed forces chief alleged to have been implicated in the assassination of the opposition leader Mr. Benigno Aquino, is to be tried before a special court on charges of being an accessory to the murder.

The case against Gen. Ver and those against 25 others accused of being either principals, accomplices or accessories — were filed yesterday by Justice Bernardo Fernandez, the Tanodbayan (ombudsman).

His preliminary investigation was based on the reports of a panel that conducted a year-long inquiry.

The Tanodbayan upheld the inquiry panel's conclusion that Mr. Aquino was a victim of a military conspiracy, although his own report further defined the charges against the conspirators.

The panel chairman's report named only eight military men in the conspiracy and specifically exonerated Gen. Ver. The majority report of the four panel members named Gen. Ver, two other generals, and 23 other soldiers as conspirators.

Mr. Fernandez named Gen. Ver and Gen. Olivas, Metropolitan Manila police chief, as accessories, but said they were not involved in the conspiracy.

Leading the list of these said to have been principals in the conspiracy is Gen. Luther Custodio, chief of the Aviation Security Command which was guarding Mr. Aquino when he was shot on his return from self-exile in the U.S.

U.S. 'may boost military help to Philippines'

By Our Manila Correspondent

The U.S. may increase its military assistance to the Philippines in addition to what is provided by the military bases agreement between the two countries, in order to help counter communist insurgency, Mr. Arturo Tolentino, the Philippines Foreign Minister, said yesterday.

"An increase is possible but the kind of assistance I see is not in form of arms but perhaps in the form of advisers for training men of the armed forces, and for the improvement of equipment," he said in a speech to foreign correspondents in Manila.

Mr. Tolentino said if advisers were indeed sent to the Philippines, their presence would not pose problems so long as they limited their activities to training and did not interfere in military operations.

The provision of U.S. arms would be strictly in accordance with the military bases agreement, he said. The U.S. keeps two bases in the Philippines, the largest in the Pacific, for which it provides an economic-military package or "rent". For the five-year period 1983-1988, the two Governments agreed to a \$900m (£242m) package divided into military sales credit, direct military aid, and economic aid.

For 1985, U.S. Congress has approved \$250m in military aid but the Philippines is pressing that this be increased to \$350m.

Next month's election may produce an unexpected challenge, reports Steven B. Butler

South Korean Opposition grows new teeth

ELECTION CAMPAIGN OPENS

SOUTH KOREAN President Chun Doo Hwan yesterday formally opened campaigning by political parties for elections on February 12 for a new 276-member parliament, writes Reuter from Seoul.

More than 600 people are expected to register as candidates for 184 seats to be decided by direct voting. The other 92 seats will be allocated to parties in proportion to the number of seats they win.

Campaigning before the presidential declaration was banned, but government and opposition camps have accused each other of illegal electioneering, including allegations of payments to voters. North Korea yesterday accused South Korea of shooting at two of its fishing boats and said the incident put a new obstacle in the path of any North-South dialogue.

The North yesterday called the incident "a piratical act" and "a violation of international law and a grave provocation aggravating north-south relations again and laying a bigger obstacle in the way of dialogue."

According to broadcasts monitored in Tokyo, the North said South Korean naval vessels fired more than 100 shots at the boats in international waters east of North Korea and 40 miles off Japan.

The North Korean crew refused to go to the southern port of Pusan, the reports said. In Seoul, the South Korean navy denied firing any shots and said the boats veered away after loudspeaker warnings when they tried to enter Southern territorial waters.

The communist North has postponed indefinitely economic co-operation talks due to have taken place last week because of U.S.-South Korean military exercises starting on February 1.

But according to one diplomat, if the DJP vote slips below that at the last election the Opposition will become more vocal and demand more influence. The Government's ability to manipulate the political Opposition may be falling apart," he said.

Critics have repeatedly charged that the Opposition parties currently in the Assembly — the Democratic Korea Party and the Korea National Party — are simply inventions of the Government designed to create a democratic facade.

Opposition party leaders have been known to discipline members for excessively harsh criticism of the Government, and a conflict over party discipline and other factional questions led to the defection of 10 DKP members to the new party in December.

Government officials deny the Opposition is manipulated or docile. They say that Opposition

national law and a grave provocation aggravating north-south relations again and laying a bigger obstacle in the way of dialogue."

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Disidents Kim Dae-jung (above) and Kim Young-sam



followed a coup in the army in December 1979 after the assassination of Mr. Park Chung-hee, a former military officer who ruled South Korea for 18 years. Mr. Chun, a two-star general, later shed his uniform and ran for the Presidency as a civilian.

But before this poll, 835 politicians had been banned from taking part, and there had been a violent uprising in the Southern city of Kwangju where several hundred people died. Residents of the city remain bitter over the event, blaming Mr. Chun.

Kwangju is in the home province of Mr. Kim Dae-jung, and his supporters there remain fiercely loyal to his cause. They are calling for a revision of the constitution to allow direct election of the president. The system of indirect elections can too easily be manipulated by the Government, they say.

The Government maintains that there can be genuine competition in the next Presidential election, when political rights will have been restored to nearly all politicians. Mr. Chun has promised repeatedly to step aside in 1988, when his term of office expires, leading the way for the first peaceful transfer of Presidential power in South Korea's history.

It is clear, however, that a holder Opposition will put the Government into a ticklish position this time. The Government has so far taken great pride in the maintenance of political stability through gradual liberalisation. Although the pace of liberalisation has hardly satisfied critics, the Government has yet to take a serious step backwards.

If the criticism becomes more vocal, the Government might find it tempting to strike back at the challenge to its authority. Yet, if it were to clamp down on Opposition politicians who have only recently been allowed to be active again, it would call into question its entire political programme, as well as suffer serious embarrassment at home.

Abroad, such action would mar the image the Government has been trying to project of a stable, legal democracy, and could lead to greater pressure from its closest political and military ally, the United States.

Mr. Chun's rise to power

Inflation to rise to 16% after petrol price rise

BY OUR JOHANNESBURG CORRESPONDENT

SOUTH AFRICA'S inflation rate is set to rise quickly to about 16 per cent in the wake of yesterday's 40 per cent increase in petrol and diesel prices, say economists.

Mr. Danie Steyn, the Minister of Mineral and Energy Affairs, yesterday announced that the controlled price of petrol at the pumps was to be increased by 38 cents a litre from today's lifting the price of 93 octane fuel from 63.5 cents a litre to 85.5 cents in the Johannesburg area.

The immediate direct effect, economists estimate, will be a 2 percentage point increase in the inflation rate which had halved its upward rise at 13.3

per cent in December 1984. Ripple effects eventually will add an extra 1 point to the inflation rate.

South Africans have had several weeks of warning that petrol prices were due to increase sharply, particularly as the price of imported crude oil has advanced sharply in response to the progressive decline in the Rand's value against the dollar.

The decline in the exchange rate, Mr. Steyn said yesterday, had more than offset the advantages of lower world crude oil prices. He warned that unless the Rand's exchange rate improves, prices will be increased further.

Paris embarrassed by Indian spy scandal

BY PAUL BETTS IN PARIS

THE FRENCH Government claimed yesterday to have no knowledge of two French businessmen reported by the Indian Press to have fled the country shortly before the uncovering of an international spy ring in New Delhi.

The French Government also continued to remain silent yesterday on the recall to Paris of Colonel Alain Bolley, the French deputy military attaché in New Delhi accused of being part of the spy ring. French officials had no comment nor knowledge of Indian Press suggestions that Paris was planning to take sanctions against Colonel Bolley.

The official line in Paris remained yesterday the initial communiqué issued on Sunday by the Government stating that Colonel Bolley had been called back for consultations. The statement also said the Government had no other comments on an affair it claimed was "foreign" to it.

But the Indian spy scandal is clearly proving embarrassing for Paris, although the French Press so far has not given it much coverage. However, Le Monde, the Paris afternoon newspaper, carried a front page editorial on the scandal calling it a "bad blow" for France.

The growing impression in Paris is that the affair involves essentially commercial rivalry for defence sales to India between France and the Soviet Union. Paris now fears the affair could seriously undermine French chances to follow up the initial sales of 40 Mirage 2000 jet fighters with a new major arms package deal for India.

A total of 2,717 people, most of them Sikhs, were killed in anti-Sikh rioting that followed the assassination of former Prime Minister Mrs. Indira Gandhi, a Cabinet minister told India's parliament yesterday, AP reports from New Delhi.

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AMERICAN NEWS

U.S. companies step up early retirement drive

BY PAUL TAYLOR IN NEW YORK

U.S. CORPORATIONS are aggressively continuing to encourage their workers to retire early and rarely give older employees incentives to continue working after they reach 65. As a result the average retirement age has dropped dramatically in the last decade, and, while older Americans make up a growing proportion of the population, they represent a shrinking percentage of the workforce, according to a report released yesterday by the Conference Board, a respected New York-based independent research organisation.

The Conference Board study, based on a survey of 363 companies covering a wide range of manufacturing and service industries in the U.S., shows that "the vast majority of firms are continuing to encourage retirement before the age of 65."

The survey confirms a trend evident in the U.S. for a quarter of a century.

Among the specific findings of the report entitled "managing older workers, company policies and attitudes":

● More than 60 per cent of the surveyed companies have early retirement inducements in their pension plans but only 3 per cent offer their employees incentives to continue working beyond the age of 65.

● Just 14 per cent of U.S. companies report an average retirement age of 65 or older, down

from 42 per cent in 1972. At 61 per cent of the companies surveyed the average retirement age is 63 or less, compared with 3 per cent in 1972.

● Men in the late 40's and early 50's, as well as those aged over 65, have been increasingly withdrawing from the labour force. Only 16 per cent of all men aged 65 and older are in the labour force, compared with 48 per cent in 1947. In addition, the trend towards part-time work has intensified. While 35 per cent of all men aged over 65 worked full-time in 1947 the figure has steadily declined and is now about 5 per cent.

● The proportion of women aged between 35 and 64 working has held steady over the past 18 years and is about 42 per cent, women are also increasingly taking early retirement.

Ms Shirley Rhine, author of the study, notes: "A reversal of the 25-year trend towards early retirement is not imminent. Efforts to discourage older workers from retiring before the age of 65 or to encourage them to postpone retirement beyond age 65 are exceedingly rare."

Managing older workers: Company policies and attitudes, report 860, the Conference Board, 445 3rd Avenue, New York NY 10022. Tel (212) 759-0901.

Coca-Cola to go on sale in Moscow

By William Hall in New York

COCA-COLA, the world's biggest-selling soft drink, is to go on sale in the Soviet Union which until now has been the sole preserve of Coke's arch-rival, Pepsi-Cola.

The move will give an important boost to Coca-Cola's flagging overseas soft drink sales which have recently been growing half as fast as its U.S. sales.

Pepsi-Cola opened its first plant in the Soviet Union in 1974 and now has 10 plants.

Coca-Cola has long wanted to challenge Pepsi's hold on a market boasting 250m potential drinkers, but has been kept out by an exclusive agreement signed between the Soviet authorities and Pepsi.

The agreement expired recently, and Coca-Cola's senior management has not wasted time opening another outpost in its worldwide empire of more than 150 countries.

The Soviet Union was the last major market - apart from India from which Coca-Cola withdrew in the early 1970s - where the product was not sold.

Coca-Cola's sister drink, Fanta Orange, has been on sale in the Soviet Union since 1979 and is currently produced and sold in Moscow, Tallin and Kiev.

Coca-Cola will be sold initially in shops serving tourists, diplomats and foreign visitors. It will first go on the market in Moscow this summer, and its Soviet launch is planned to coincide with the 1985 FIFA/Coca-Cola Cup for the world youth championship.

Honduran defence treaty plea rejected

THE U.S. has refused to grant Honduras a defence treaty promising strong guarantees against an attack by a neighbouring country, according to Honduran officials, Reuters reports from Tegucigalpa.

They said that Mr Robert McFarlane, U.S. National Security Adviser, turned down the request last weekend when he met President Roberto Suazo Cordova and General Walter Lopez Reyes, armed forces chief.

The search resumed yesterday morning for a U.S. air force C-130 cargo plane carrying 21 Americans that crashed in the Caribbean Sea off the Honduran coast.

Stewart Fleming, U.S. economics correspondent, on post-election decision making

Crisis creeps up on deficit ditherers

AS HE took the oath of office earlier this week President Ronald Reagan once again seized the rhetorical high ground on the issue of the federal budget deficit.

"An almost unbroken 50 years of deficit spending has finally brought us to a time of reckoning," he proclaimed, adding about the prospects for reducing the deficit: "If not us, who? If not now, when?"

It was a statement which contrasted oddly with the Administration's dithering about what practical steps to take on the budget issue since the President's overwhelming victory in the November election. The indecision has led to warnings that Mr Reagan is in danger of squandering the priceless asset of political momentum which his victory gave him.

The curious, even casual, way in which several of the Reagan administration's top policy-makers reshuffled themselves just after Christmas has been one development which has conveyed a sense of drift.

The job swap between Mr Donald Regan, the Treasury Secretary, and Mr James Baker, the White House Chief of Staff, has raised not only eyebrows but also question marks over the implementation of Presidential policy.

The subtle political skills of Mr Baker are seen as on tax reform and some observers also believe that Mr Baker has made the package of \$50bn of spending cuts the President will propose politically almost impossible to sell.

As the outlines of the President's budget plan began to leak out in December, the universal judgment made was that by the time they were presented to Congress they would be "dead on arrival". Mr Reagan is reported to have recognised this.

He has decided to schedule his State of the Union message on February 6 after the budget message which is expected to be presented to Congress on February 4, rather than before it, to try to minimise the political damage he could suffer from a protracted budget analysis in the media.

In spite of these far from propitious omens, few in Washington are yet prepared to say that the President's decision to take a back seat in the early budget running is necessarily a political miscalculation. Nor will they say that the decision automatically reduces to negligible the chances that Congress will take another bite out of the 1986 budget deficit this year.

For, with unprecedented speed, the political vacuum which President Reagan's retreat has recreated has been filled by Senator Robert Dole, now Republican majority leader in the Senate and a man who, it is said, nurtures the hope that his brand of pragmatic conservatism will make him a Republican standard-bearer in the 1988 Presidential election.

The fact that that race has already begun, is partly thought to account for Senator Dole's readiness to try to lead the way towards fashioning a deficit-cutting compromise among Senate Republicans now.

Now Senator Dole, it is argued, wants to hit the ground run-

ning in his new job to begin building a platform and a profile for 1988. He and many of his Republican colleagues are also worried that with 22 of their number up for re-election in the Senate in 1988, they must try to do everything they can to ensure that the economy stays healthy over the next two years.

If the Republicans were to lose their Senate majority, Mr Dole would also lose his fanning pad for 1988.

One of the reasons why the huge budget deficit and soaring federal debt have not sparked a more vigorous political reaction so far, is that the deficit is a creeping crisis. Generally healthy sectors of the economy are only now beginning to feel the pain.

The strong dollar, which the huge deficits and high interest rates have helped to create, has already contributed to more sluggish than expected economic growth in the second half of last year. If trade deficit projections of \$180bn for 1985 are to be believed, they will curb the economy's expansion this year, too.

Even without another deterioration in the trade account, a growing band of companies is beginning to suffer long-term damage to its business from foreign competitors and is being forced to change its investment strategies as a result.

Protectionist sentiment is rising. So, too, are fears about the increasing vulnerability of the U.S. economy to the whims of the foreign investors who are financing its swelling capital needs.

The Treasury's decision last week finally to inch its way towards a more flexible response to European calls for increased intervention in the foreign exchange markets is being attributed in part to fears in the Administration both about the

current strength of the dollar and the risk of dollar weakness that might be ahead. The Treasury, it is argued, can see that it may have something to gain from a more activist approach - on the foreign exchanges by the governments of the industrial countries.

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Managua passes amnesty law

NICARAGUA has approved a general amnesty law, permitting the release of all guerrillas fighting inside the country, or based in Honduras and Costa Rica, Tim Cooney writes from Managua.

The law was passed in the first session of the new National Assembly, by an overwhelming majority. The only opposition came from the far left and the conservative Democrats, the latter wanting the amnesty extended to prisoners captured for

security offences.

There are an estimated 10,000-12,000 U.S.-financed guerrillas seeking to overthrow the left-wing Sandinista government. They are organised in four main groups, the FDN and MDR based in Honduras, and ARDE and Misurata based in Costa Rica.

The guerrillas, to take advantage of the amnesty, have until July 19 to hand over their arms. About 1,500 guerrillas handed themselves over to the Nicaraguan authorities under a previous limited amnesty dating from December 1983.

It is unlikely, however, that there will be a major disintegration of the guerrilla forces as a result of the new amnesty. Meanwhile, moves are afoot within the Conservative Democratic Party to try and uppe political opposition to the Government and to call for a ceasefire by the guerrillas in return for new presidential and national assembly elections.

El Salvador peace talks 'on brink of collapse'

LEFT-WING Salvadoran guerrilla leaders have accused President Jose Napoleon Duarte of being too weak to defy right-wing opposition to continued talks aimed at ending five years of civil war.

Parabando - Martí National Liberation Front (FMLN) leaders said on Tuesday that the talks were on the brink of collapse. Guerrilla representatives met government officials twice last year.

A third round of talks was expected at the end of this month but Salvadoran Government officials said problems between President Duarte and the right made any meeting highly unlikely, especially before National Assembly elections on March 17.

The guerrillas, however, insisted on a meeting before the polls.

WORLD TRADE NEWS

China signs telecom deal with French company

By Paul Beets in Paris

COMPAGNIE Generale d'Electricite (CIE), the French nationalised electronics group, has signed a \$50m (£24m) contract to supply digital telephone exchanges to China.

CIE's CIT-Alcatel telecommunications subsidiary will supply its E-10 B digital switches providing 160m and telephone lines for the city of Beijing. The contract follows prolonged negotiations between the French company and the Chinese.

The deal, which opens the potentially vast Chinese telecommunications market for the French group, is particularly welcome for CIE which did not win any major public switch export contracts last year.

Under the recent reorganisation of the French telecommunications industry, CIE has been given the dominant role in the sector by absorbing the telecommunications assets of Thomson, the other large French nationalised electronics group.

CIE follows ITT in the emerging new Chinese telecommunications market.

● The first UK licence agreement, worth about £450,000 for semiconductor technology into China has been successfully established between Alcatel, CIE company, and the Chun Shu Rectifier Plant (Peking), near Trade Staff writes.

Danes win U.S. dairy order

DANISH DAIRY equipment manufacturer Fasilco, a member of Danisco Sukkerfabrikker Group, has won a \$1.1bn (£79m) order to supply equipment for a dairy at Little Falls, Minnesota. Hilary Barnes writes from Copenhagen.

Other members of the Sugar Factories Group, including Niro Atomizer, Danish Turbines, Dairies and Moeller & Johansen will also supply equipment for the project, believed to be the biggest export order ever obtained by a Danish company.

The dairy will process 1.1 litres of milk a day and produce 100,000 kg of cheese and 4,000 kg of butter a day. Fasilco is already supplying equipment to a similar dairy being built in California.

Japan threatens action against U.S. airlines

By JURK MARTIN IN TOKYO

JAPAN is threatening to retaliate against U.S. airlines if the U.S. continues to refuse to grant a Japanese cargo carrier access in the U.S.

The Japanese position is in the next round of bilateral aviation talks in February. Previous negotiations broke down over the cargo carrier issue.

In the Japanese view, the nub of its complaint is that the U.S. Civil Aeronautics Board has taken no action in the year since Nippon Cargo Airlines, set up in 1982 as an

affiliate of All Nippon Airways, the domestic carrier, first applied for access.

The Japanese retaliation, according to press reports which the Transportation Ministry here did not substantiate, could take the form of reducing or even halting the services to Japan of Flying Tiger Airlines, a U.S. cargo carrier, currently running at the rate of 52 a week.

Also under consideration are denying additional services to the four commercial

U.S. airlines—Pan American, Northwest Orient, United, and Continental Air. Meanwhile, which presently run 307 flights weekly in and out of Japan. The U.S. had previously been pressing Japan that an additional carrier be granted access to Japan.

Japan believes this already constitutes an imbalance because Japan Air Lines, the only Japanese carrier serving the U.S., operates just 168 passenger and cargo services a week. JAL itself has frequently complained that its

competitively has been harmed because the U.S. carriers have been able to offer packages for travel in the U.S. using their domestic route networks.

However, the dispute over air services may not be seen in isolation. The two countries are also preparing to do battle over what carries what in shipping between the U.S. and Japan and it is not inconceivable that the U.S. would refuse to widen the arguments to this field in order to obtain greater leverage.

The rest, like Lions Petroleum with its half-dozen outlets, are independent, buying from the majors.

Regular grade petrol is sold at the pump in Japan at about ¥140 per litre, probably ¥10 to ¥20 higher than a representative price for imported petrol, if it were available.

If petrol imports were liberalised at a stroke, the principal beneficiaries would be the international concerns such as Shell and Exxon, whose reserves and facilities exceed those of their Japanese counterparts, and MTU is obviously nervous about putting Japanese companies at a competitive disadvantage.

Miti's ban on petrol imports to stay

BY OUR FAR EAST EDITOR

Singapore to try to arrange another contract.

Nihon Keizai, the economic newspaper, has reported that Miti was considering asking the Petroleum Council, an advisory panel which helps set policy, to devise a quota system to replace the ban on petrol imports.

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Moscow resists Argentine grain pact

By Jimmy Burns in Buenos Aires

A HIGH-LEVEL Soviet trade mission headed by Mr Victor Ivanov, the deputy minister for foreign trade, left Buenos Aires on Tuesday having apparently refused any firm commitment to a renewal of a five-year grain agreement which expires this year.

Mr Ivanov said: "The Soviet Union is prepared to maintain its trade relationship with Argentina as long as this takes into account both Soviet and Argentine needs."

The Soviet Union is understood to be poised once again to become the main purchaser of Argentina's key commodity, having bought or ordered an estimated 7.5m tonnes of grain from this year's harvest. This is in line with the Soviet Union's purchases from Argentina in the years following the Carter embargo and well above the 4.5m tonnes stipulated in the five-year agreement.

The Soviet Union is unwilling to bind itself to a new five-year contract in the face of inconclusive negotiations about its enormous trade gap with Argentina. Last year Argentine exports to the Soviet Union were \$1.6m compared to imports of \$40m according to provisional figures released by Mr Ivanov.

Although no details emerged publicly at this week's discussions, the Soviet mission is understood to have once again raised the possibility of supplying Argentina with turbines and exploration equipment for Argentina's planned hydro-electric gas and oil projects.

They have also been hiding for participation in a port development project in the southern coastal town of Bahia Blanca.

Mr Ricardo Campero, the Argentine under-secretary for foreign trade, said earlier this week that improved trade relations with the Soviet Union should be considered a key to Argentine trade policy in the coming months.

A five-year development strategy elaborated by the Argentine Government last month singles out a more efficient exploitation of the country's natural resources, principally through additional imports of turnkey equipment, as the

lynch-pin of economic recovery.

Voest-Alpine clinches \$10bn steel cord deal in Soviet Union

BY PATRICK BLUM IN VIENNA

VOEST-ALPINE, the Austrian state-owned steel engineering and electronics group, has won a \$10bn (£400m) turnkey contract to build and equip a new steel cord manufacturing plant at Shobin in Byelorussia, in the western part of the Soviet Union.

The contract was signed yesterday in Moscow by the president of Voest, Dr Herbert Apfalter, and Metallurgimport, the Soviet trading company for mechanical equipment.

It is the most valuable single contract ever signed by an Austrian company. Work is expected to be completed in 34 months.

Fine steel cord is used in the production of radial tyres. The plant will use steel manufactured by the company's works at another plant in Shobin also constructed by Voest which was opened last November by Dr Reinhold Sinowatz, the Austrian Chancellor, during a visit to the Soviet Union.

The Voest-Alpine contract was worth \$9m for the company.

Voest says it was awarded the contract against fierce competition from a number of West European companies because of its good performance in building the compact mill.

Voest has had a long involvement in Eastern Europe and the Soviet Union. In 1983, the Comecon accounted for 29 per cent of total sales, higher than for Austria (28 per cent), over-seas (22 per cent) and sales to the EEC and EFTA (19 per cent).

● The Soviet Union has signed an agreement worth \$100m with the Italian company Cogefar for the construction of three footwear factories. Patrick Cockburn reports from Moscow.

The contracts are on a turnkey basis, part of a growing trend in the Soviet Union, and are for completion by the first quarter of 1987. Each factory will have an annual output of 2m pairs of women's, children's and men's shoes and will be built in Moscow, Kaluga and Togliatti.

U.S. electronics group to build wafer plant in Ireland

BY BRENDAN KEENAN IN DUBLIN

A LEADING U.S. electronics company is to establish an \$115m (£17m) wafer-fabrication plant in the Irish Republic. The factor, which is expected to employ over 1,000 people by 1991, is one of the largest electronics investments ever made in Ireland.

The managing director of the Irish Industrial Development Authority (IDA), Mr Padraic White, said it confirmed that Ireland could support the most sophisticated sectors of the electronics industry.

The project will also be one of the most expensive for the Irish taxpayer, although Mr John Bruton, the Industry Minister, would not confirm that the total grant aid will come to \$50m. He did say that the company - Advanced Micro Devices (AMD) - would be putting up most of the money. Mr White said Ireland's package was not the most generous in



current strength of the dollar and the risk of dollar weakness that might be ahead. The Treasury, it is argued, can see that it may have something to gain from a more activist approach - on the foreign exchanges by the governments of the industrial countries.

These are some of the factors which are cited by those who maintain that Senate Republicans will fashion a plan to cut some \$50bn off the 1986 budget, a reduction which will be designed to more than double by 1988, and which will include real cuts on the growth of defence spending. Such a scheme would have to be built through a divided and fractious House of Representatives, and would have to be sold to President Reagan.

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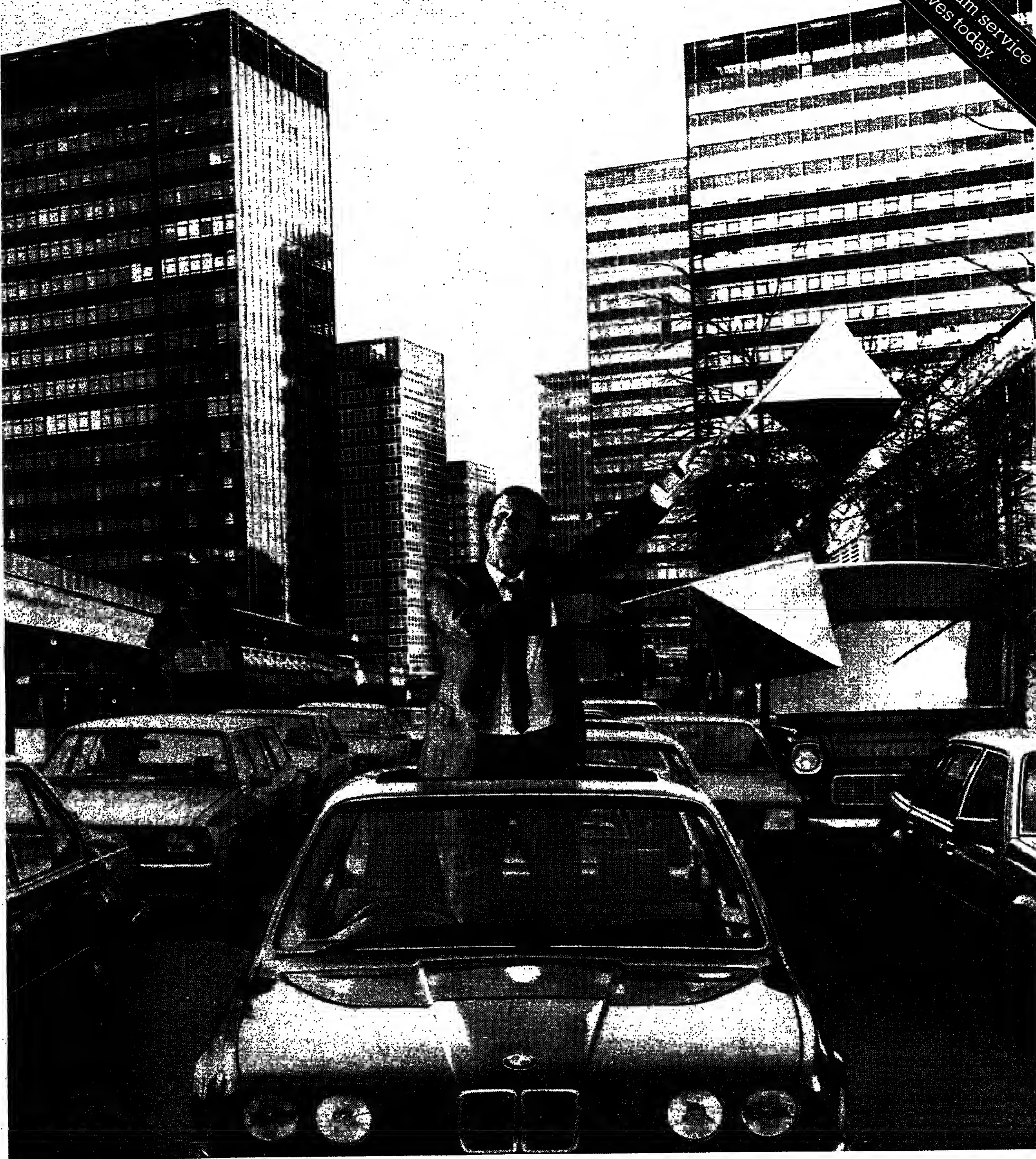
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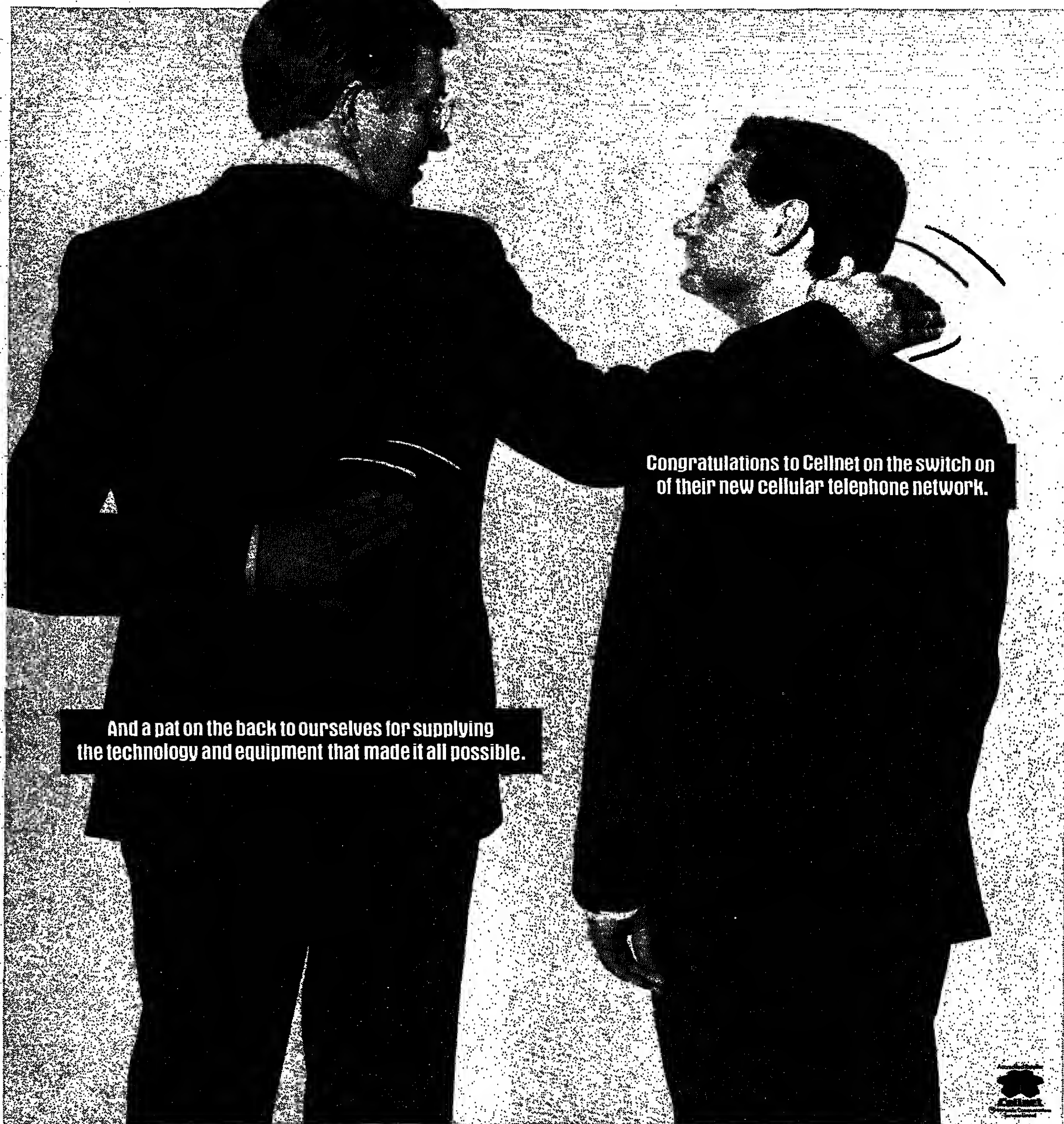
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MOTOROLA



UK NEWS

Employers urge Lawson to cut taxes by £2.2bn

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

TAX CUTS worth £2.2bn in 1985-86 and £3.5bn in a full year were urged yesterday by British employers in their budget submission to Mr Nigel Lawson, the Chancellor of the Exchequer.

The largest item on the list proposed by the employers' body, the Confederation of British Industry (CBI), is for a 10 per cent increase in personal tax allowances in addition to the rise needed to keep pace with inflation. This would cost £1.7bn in a full year.

Other major proposals include: improved capital allowances to be set against corporation tax; partial relief from rules (property taxes) for businesses; and abolition of capital gains tax on stocks and shares held for more than seven years.

The CBI believes that these measures and a number of smaller concessions it proposes would help to stimulate business activity and help create more jobs in the medium term.

Increased economic activity, producing more tax revenues, would partly offset the cost of the measures, it says, and after this "feedback" effect is taken into account public sector borrowing next year (1985-86) would be increased by about £200m and by about £200m in a full year.

In its economic assessment, the CBI says that, assuming the min-

ars' strike ends, growth in 1985 should be about 3% per cent after about 2% per cent in 1984.

This would not be enough to have much impact on unemployment, however. Although the CBI expects consumer spending and investment to sustain the economic recovery this year, it notes that its surveys have shown that a high proportion of companies have cited "uncertainty about demand" as the main restraint on their investment plans.

In its assessment of medium-term prospects, the CBI says a number of measures are needed to encourage a steady growth rate of 3 per cent a year with low inflation. These should be aimed at encouraging enterprise and investment, improving competitiveness and holding down costs.

At the same time, industry and the labour markets would need to deliver pay settlements lower than in competitor countries, continued productivity improvements and investment in innovation. The Government should contribute by reducing taxes and cutting costs.

In spite of a general improvement in industry's competitive performance, the CBI says further progress is needed. "As a consequence of poor competitiveness, Britain's share of world trade in both goods and services has been declining. Exports only grew in 1984

because world trade was growing even faster."

It says: "Take exports to the U.S. Helped by the strong U.S. dollar and the rapid growth of the U.S. economy, UK exports rose by 23 per cent by volume over the year to mid-1984. West German exports grew by 51 per cent over the same period. At home, the latest figures on import penetration show that in 1983 imports of all manufactured products accounted for 31.4 per cent of home demand, a rise of 2.2 percentage points on 1982."

In broad terms, the CBI endorses the Government's strategy for defeating inflation and holding down public sector costs to make room for reduced interest rates and a lower tax burden. It says that its budget proposals can be accommodated within the Government's medium-term financial strategy.

It says, however, that more economies in the public service are needed, with savings building up to a possible £100m a year. This money should be released for increased spending on the infrastructure. The CBI says this spending is needed to help improve business efficiency.

1985 CBI Budget Representations to the Chancellor "Make It Work" UK Confederation of British Industry, Centrepoint, 103 New Oxford Street, London WC1

Chinese community faces language bar to integration

BY RICHARD EVANS

BRITAIN'S 100,000-strong Chinese community faces much more formidable barriers to full participation in the country's business, social and cultural life than is generally appreciated, according to a House of Commons report published yesterday.

Five major factors - lack of English language, ignorance of British law and welfare services, cultural differences, scattered settlement and long anti-social working hours - are seen as key reasons why the Chinese - Britain's third largest ethnic community - have failed to integrate effectively.

The Commons Home Affairs Committee, following a year-long investigation, emphasises, however, that it would be misleading to convey too negative a picture of the Chinese in Britain.

"Many Chinese have prospered... and the expansion of the catering trade is testimony to the enterprise and hard work of the community. They have an impressive capacity for self-help, which is one reason why their difficulties have gone unnoticed and unrecognised, and their activities benefit the wider society in various ways," the report says.

The biggest problem MPs found was difficulty with the English lan-

guage. Unofficial estimates of the proportion of first generation immigrants unable to speak English range from 65 to 75 per cent.

One of the main recommendations of the committee is for local authorities with sizeable Chinese communities to improve the teaching of Chinese, particularly Cantonese, together with the development of better interpreter services.

Lack of English is the chief cause of another underlying problem - ignorance of British law and social services. Not only do many Chinese have difficulty claiming their rights, but they are often unaware of what social security, housing, employment and other rights they have.

Different cultural attitudes mean a preference for self-help and a reluctance to complain.

Two further difficulties result from involvement in catering - estimates put the proportion employed in restaurants or takeaway facilities at about 80 per cent. This means that the Chinese population is dispersed and tiny compared with the total population in any one area. It also results in long and unsocial hours which make it harder to mix with a wider society.

Second report of the House of Commons Home Affairs Committee, 1984-85. HC 59.

Firm line urged on abuse of immunity

By Nicholas Colchester

AMENDMENT of the Vienna Convention on Diplomatic Relations is not a practical solution to the problem of the abuse of diplomatic privileges, according to a report from the House of Commons Foreign Affairs Committee, published yesterday. But the British Government should be tougher in the way it applies the convention, the committee says.

The inquiry into the abuse of diplomatic immunity and privileges was prompted by the shooting of a British woman police officer monitoring a demonstration outside the Libyan Embassy in London in April 1984. This provoked concern about the lack of sanctions against diplomats who broke the law.

Concern was reinforced by the attempted kidnapping, last May, of Mr Umaru Dikko, a former Nigerian Government Minister, with the apparent complicity of staff of the Nigerian High Commission in London.

In general, the committee endorses the Government's handling of the Libyan affair, and the conclusions drawn from it, and praises action in the Dikko case.

The committee feels, however, that the Government should have been tougher with Libya between 1979 and 1984 when Libya began to flout the Vienna Convention by failing to name a head of its "people's bureau," and when revolutionary students took over the bureau in February 1984.

The Government should have threatened to remove diplomatic status from the bureau building in London, and should have limited the size of the mission.

The committee recommends various ways in which the existing Vienna Convention might be applied more rigorously. It suggests that diplomatic bags should on occasion be scanned electronically for weapons or other contents not provided for under the convention.

The Foreign Office is concerned that this might lead to retaliation which could interfere with the delivery of consular material to British embassies abroad.

Seeking amendment of the Vienna convention is dismissed as impractical.

FT CONFERENCE

Asset stripping of pension schemes 'increasing in UK'

BY ERIC SHORT

ASSET STRIPPING of pension schemes - the refund of surplus from pension schemes to the parent company - was now being widely practised in the U.S. and was becoming more common in the UK, claimed Mr Brian Tatchell, a senior partner with the consultant actuarial firm Gray & Partners.

He told delegates on the second day of the Financial Times conference held in London - Pensions in 1985 - that during the first nine months of last year about £1bn of assets had been refunded from pension schemes to parent companies in the U.S., more than double the amount for the whole of 1983. Some two out of three schemes in 1984 had made refunds, compared with only one in two schemes in 1983.

He described how a liberal attitude by the U.S. authorities was allowing employers to strip out the surpluses arising in pension schemes from high investment returns.

Mr Tatchell said that asset stripping in the UK arose in two distinct contexts. The first came in a takeover and merger situation, the second with the comparatively recent phenomenon whereby large surpluses were produced by company final salary pension schemes.

For ongoing schemes in the UK, the ability of employers to obtain refunds from their pension schemes depended on the rules of the scheme allowing such refunds and the attitude of the Supervisory Committee (SC) of the Inland Revenue in permitting them.

The main theme of the morning session dealt with the current position on loss of pension tax concessions in the forthcoming budget.

Mr Peter Shore, a member of the Labour Party's Shadow Cabinet, told delegates that although very little had been officially said by Mr Nigel Lawson, the Chancellor of the Exchequer, he believed that he had been giving serious consideration to cutting back on pension tax privileges both on the grounds of fiscal neutrality and because of his need to enlarge the tax base.

He expressed his opposition to any changes in the present tax structure including any moves to impose a tax on lump sum retire-

ment payments. He called for a full independent inquiry into all aspects of pensions, and criticised the Government's current review of pensions, which was neither independent nor comprehensive since it did not include taxation aspects in the inquiry.

Mr Eric Rogers, deputy chairman of the Occupational Pensions Board, warned the Government that tax changes would seriously affect the contracting-out requirements. If the Government imposed a tax on investment income of pension funds, then it would have to allow a higher rebate than at present on both employees and employers' National Insurance.

Such a move would have severe implications for the funding of the National Insurance Scheme.

Mr Dryden Gilling-Smith, managing director of pension consultants EBS (Management), told delegates that there was a need for more incentives for private pension provisions, not fewer.

Mr John Chown, chairman of J.F. Chown and Company and an executive committee member of the Institute for Fiscal Studies, offered a contrasting view on tax changes. He said that the Chancellor had had only one real practical option and that was to impose a tax on the investment returns of pension schemes. He warned the Chancellor that the benefits of any move to tax lump sum retirement payments would accrue to a future Labour Chancellor.

Mr Brian Symonds, Sales Development Manager of Sun Life Assurance Society, in supporting the Government's personal pension proposals, outlined an administrative system for making the proposals easy to understand and to operate. Mr Maurice Oldfield, group executive director of Allied Lyons, attacked the whole concept of personal pensions as unnecessary and disruptive. He claimed that the proposed system would undermine company pensions without offering anything new in its place. Mr John Selley, a partner with the law firm Searns and Partners, described to delegates the legal problems currently facing the pensions industry, many of them arising from proposed changes in government legislation.

Bedford suffers bigger deficit

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BEDFORD, General Motors' commercial vehicle subsidiary, last year suffered a loss even greater than the 1983 deficit of over £50m, Mr J. T. Battenberg, general manager, said yesterday. The company expects to show an operating profit - the first since 1979 - next year, however.

Bedford's major capital investment programme, concentrated mainly into 1984, and the cost of the recently-announced voluntary redundancy and early retirement programme, contributed heavily to last year's loss.

Bedford's van and related production facilities were spread among 13 buildings at Luton but have now been relocated within two buildings where the company has spent £25m

on facilities and £25m on tooling. Mr Battenberg maintained yesterday, at the inauguration of the plant, that "this represents one of the finest examples of industrial reorganisation to be found anywhere in our industry."

The £12m painting facility within the plant can handle 30 vans of all sizes an hour, or well over 100,000 a year. However, the new assembly hall currently has a capacity of 15 vans an hour which will be expanded gradually when necessary.

Bedford expects to build about 26,000 vans this year against 16,000 in 1984. Production will be boosted in 1985 by the introduction of the Mid van, based on the one-tonne WFF vehicle produced by Isuzu. GM's 34 per cent-owned associate

in Japan, but which Bedford re-engineered for Europe at a cost of £20m.

By the end of February, output of the Mid, which began in August, should be running at an annual rate of 15,000. Exports are expected to take 30 to 40 per cent of Mid output, and Bedford has high hopes for the vehicle in France and Italy.

Mr Battenberg said that Bedford was still considering the possibility of building another Japanese-based van, a "micro" vehicle based on a design by another GM associate, Suzuki. So far, however, no deal has been concluded.

Bedford announced last week that it is to shed a further 487 jobs, or roughly 6 per cent of its present workforce of nearly 6,000.

Sports goods maker cuts staff after heavy losses

BY JAMES McDONALD

GRAY'S OF CAMBRIDGE, the long-established sports equipment specialist, is reducing its workforce and closing one of its three factories because of heavy trading losses last year caused by competition from cheap imports.

Out of a total workforce of 115, 74 are being made redundant at the Cambridge factory. The Pershore plant will close at the end of March - apart from a small section making bowls, renovations and testings. The Robertbridge factory will continue with a reduced staff.

Gray, established in 1855, will continue as a family-owned concern, with the Gray family remain-

ing directly involved in the day-to-day running of the group which includes the successful Gray-Nicholls subsidiary and the Cambridge factory - own the major site of traditional squash manufacture remaining in the UK.

Gray's financial problems came to light early this month when it sold John Wisden, owner of Wisden Cricketers' Almanack, for £400,000 to McCordquodale, a security printing and packaging group.

The almanack is a profitable operation but Gray was experiencing a downturn in its sports equipment sectors and a cash shortage.

TECHNOLOGY

FACSIMILE TRANSMISSION WILL HOLD ITS OWN IN MODERN COMMUNICATIONS

Quick scan of the fax market

BY GEOFFREY CHARLISH

FAX SUPPLIERS IN UK

Canon UK, Croydon
IBM UK, Putney
Kallefax, Bouslow
Intercom, Slough
Mitsubishi Electric UK, London WC1
Minidex Office Systems, Beckenham
NEC, London NW1
Panasonic, Slough
Plimley Bros, Harlow
Plessey, Mitcham
Rank Xerox, Uxbridge
Siemens, Sunbury
STC, Slough

01-680 8889
01-785 7771
01-870 7712
0753 70831
01-379 7160
01-650 4888
01-388 8100
0733 73841
0279 24731
01-646 4141
0695 51133
09327 56591
01-300 7788

FACSIMILE STANDARDS

● Group 1: 1983, last amended 1976. Sends an A4 sheet at 100 lines per minute in six minutes, or at 67 lines per minute in four minutes. Low cost low volume use, few machines now being made. Uses frequency modulation transmission.

● Group 2: Set in 1976 and sends A4 in three minutes at 100 lines per inch. Uses growing several times faster - largely because keyboards for Japanese characters are highly impractical. The strong home market has given the Japanese dominance in business document fax in the West, so that even original pioneering companies like Murehead are now badge-engineering units from OKI, for example.

Murehead is the only manufacturer of fax in the UK and holds a strong position in the newspaper, meteorological and military areas. It sold the first newspaper whole-page fax machine to a Japanese paper, Asahi Shimbun, in 1979 and has since supplied most of Fleet Street, including the Financial Times (for transmission to its Frankfurt printing centre).

In office fax, Japanese companies like Canon, NEC and Panasonic (Matsushita) are now marketing units directly and the prospects for European-made units have sharply reduced.

On the other hand, the outlook for the business fax market as a whole is improving. Better technology and higher production are tending to bring prices down - at 20 per cent a year according to one source. The equipment is getting more versatile and transmission times are reducing.

combination of amplitude and phase modulation of audio carrier. Some machines are compatible with Group 1 and most Group 2 machines are compatible with each other.

● Group 3: 1980. Uses digital scanning, which allows transmission of a page in one minute. All Group 3 machines compatible, and some will talk to Group 2.

In early machines the illuminated document, wrapped round a drum, was scanned in horizontal lines by a photoconductor. The light and dark variations of text or graphics into a stream of corresponding, continuously varying electrical signals. The systems could deal with shades of grey but were slow and expensive. A synchronised drum at the receiving end would reconstruct the image on light-sensitive paper using the same information in a modulated light beam.

These basic ideas remain, but more modern units examine each scan line in tiny steps (pixels) and allocate a digital code to each light value found. Most look only for either black or white, greatly reducing the amount of information that needs to be sent and reducing either the sending time or the bandwidth (information rate) of the transmission.

Reproduction is better, too, most machines using thermal paper on which a modulated heat stylus makes clear black impressions.

Newer systems also use hand-width compression, an electronic/statistical technique which for example, allocates shorter digital codes to more frequently sent data, cutting the

data rate. (On the same basis a single "dot" is the Morse code for "E", the most-used letter in English.)

Thus the image is converted to computer-like data and can be processed and stored and, in the public digital telecoms systems now emerging, transmitted. This is important because it means fax is joining the digital world now crystallising in which for transmission, switching and processing purposes, speech, data, text, graphics and TV will all take the same form. IBM has for 18 months been selling the 9505 Scanmaster, a £10,000 machine which allows images to be electronically stored, transmitted and printed in just the same way as data and keyed text.

Along the way, however, these developments have produced old/new equipment compatibility problems - there is as yet no fax equivalent of simply picking up the phone and talking to someone at the other end. For example, there are three groups of machine types within the installed base (see box) and they may be automatic or manual.

Although the market is gravitating towards Group 3 (which sends an A4 sheet in one minute), a Group 4 (five seconds over digital networks) is being formulated and there is even talk of Group 5.

The Post Office has recently set up public services that allow those without fax machines to leave their material at one of 130 regional offices for transmission to recipients with machines, and vice versa. Late in 1984 a service to link in personal computers was announced.

Further likely developments will be machines linked to telex and its fast, forthcoming successor, teletext. Some terminals will allow fax material to appear on the screen as well as normal computer material.

As with almost everything in technology nowadays, the answer lies in the software. Two useful information sources are:

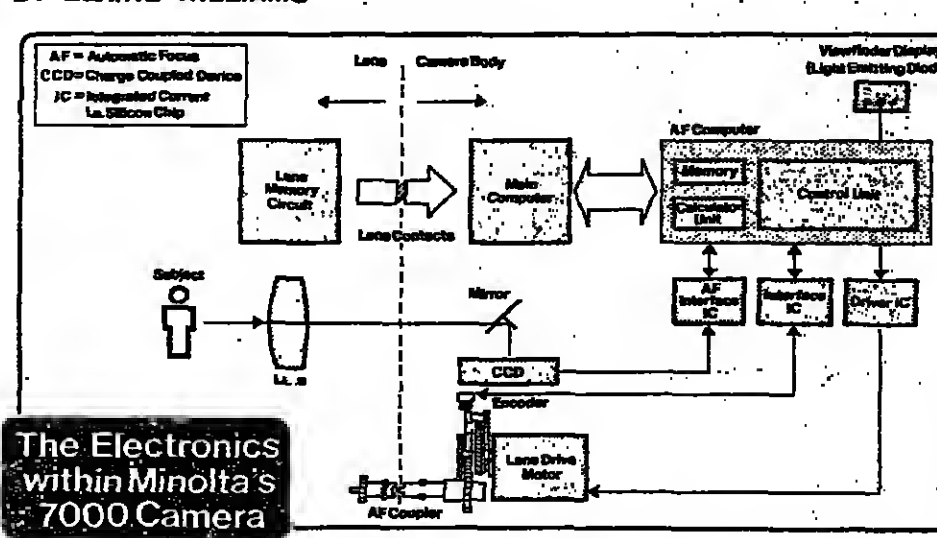
● Electronic Mail and Facsimile Services in Europe, Frost and Sullivan, London (01-486 3377).

● Facsimile, The Eurodata Foundation, London (01-638 3702).

MINOLTA UNVEILS THE LATEST IN PHOTO EQUIPMENT

Camera that's always in focus

BY ELAINE WILLIAMS



The Electronics within Minolta's 7000 Camera

MINOLTA has described its latest photographic product, the 7000, as the last breakthrough in conventional camera design. At five pence short of £300, the single lens reflex (SLR) camera is one of the most sophisticated, and expensive, on the market with the ability to focus accurately on a scene even if its owner is not.

The development comes at a time when the world photographic market is depressed. High technology products like video recorders followed by home computers have wooed consumers away from the gentle art of photography. Now camera makers have decided to use the same sophisticated technology to fight back.

At the heart of the 7000 camera are two tiny microcomputers and six other silicon chips which add up to the equivalent of more than 150,000 transistors. One eight bit computer and associated memory takes data from all the other circuits to control picture taking.

The control computer calculates exposure levels provided by a chip which senses light levels, sends signals to another circuit which controls the shutter release sequence, takes information from a circuit which reads digitally encoded photographic film and controls the information display for the user. Other chips are used to wind on new films to their starting frame.

The second computer takes care of the auto focusing. It

can work out all the calculations to produce a well focused image faster than a human photographer can adjust the lens focusing ring.

Built into each interchangeable lens is a memory chip which tells the auto focus computer which type of lens it is and its state of focus.

The auto focusing SLR has been under development by Minolta for the last four years though a team of designers has been looking at the whole problem of automatic focusing for cameras for a decade. Minolta has a range of compact cameras which can focus automatically, and talk to its owner, selling for just under £80 - as many other companies including Canon - but maintains that this is the first time that highly accurate auto focusing has been used on the top range of SLR cameras.

The camera focuses by a system called phase detection. The object which is to be in focus is viewed through the centre of the lens. This is split into two images. These are projected onto an electronic sensor called a charge coupled device, CCD, which turns the light into a varying electrical signal. The camera adjusts the exposure to ensure that the subject is visible.

The data from the CCD sensor gives the focus direction and the amount of lens movement necessary to bring everything in focus. If the photographer wants for aesthetic reasons, to have the main object

away from the centre of the picture, he can press a button which temporarily holds all the focusing information while he changes the position of the object in the viewfinder. When he takes the picture, the main subject will still be in focus.

The auto focus can work in the dark as the Minolta flash transmits an infra-red light which gives sufficient for the system to focus on to objects up to 5 metres distant.

As with many electronically-controlled SLR cameras, the Minolta 7000 offers three program modes - totally automatic operation where the camera's computers work out everything and the photographer presses the button; shutter or aperture priority automatic exposure; or manual control with electronic metering.

Other features include an automatic exposure lock which is useful when there is strong background light. The user approaches the subject and by pressing first the camera's operating button measures subject light levels and then the automatic exposure lock. Then when the subject is photographed from any distance, the camera adjusts the exposure to ensure that the subject is visible.

Minolta hopes that the 7000 is simple enough for anyone to use, if he wants to pay the price, but has enough flexibility and sophistication that a more experienced photographer would find exciting.

March Concrete Pipes

Ultrasonics for pipes

Testing

Ultrasonics for pipes

Available from Sonotest of Milton Keynes is a computer-based field unit aimed at speeding up the time-consuming and sometimes tedious task of preparing on-site ultrasonic test reports on piping and similar components.

The 2.2kg unit, called Siteplot 400, consists of keyboard, flat screen liquid crystal display, read-only memory storing graphical test report formats, and 208k of random access memory to store results.

When examining welds for example, details of up to 50 defects or 350 defect-free welds can be seen on the screen. This information can be stored so that when the user returns to his office the results can be produced on a dot matrix printer in A4 format.

The system can be used with any make of ultrasonic flaw detector and carries no obligation to purchase Sonotest units. There is no direct transfer of data between the two units - the user builds up the results on the screen via the keyboard. More on 0908 316345.

Materials

Polymer research

The first of the Science and Engineering Research Council's special directorates has been privatised. The Polymer Engineering Directorate will now be united to a greater extent by the industry it serves.

Under group by SERC to give special emphasis towards advanced technology polymer engineering and training.

FINANCIAL TIMES SURVEY

Thursday January 24 1985

Enormous public spending has improved living conditions but economic weakness is still the basic problem. A projected new national fund for development offers some hope.

Bid to escape the poverty trap

SOUTHERN ITALY is in a sorry state. It remains substantially poorer than the rest of Italy and contains some of the most deprived and crime-ridden pockets in Europe. Because it is economically so weak it cannot participate fully in the economic recovery Italy is now enjoying.

By James Buxton
Rome Correspondent

On top of that, the principal central government institution which sustains the South, the Cassa per il Mezzogiorno, is in liquidation, victim of a parliamentary ambush last summer which starkly demonstrated the mounting disenchantment of the rest of Italy with the South.

A successor body to the Cassa is now being discussed but it is far from clear what will emerge, and whether what does emerge will be workable.

Follies

The economic weakness of the South is Italy's fundamental problem. The Mezzogiorno, as it is called, makes up 40 per cent of Italy by area and 35 per cent of it by population but accounts for only 23.8 per cent of Italy's GDP. Its relative poverty prevents the country as a whole from being as rich as the prosperous north and centre would merit.

A harsh critic might argue that if it were not for the need to subsidise the South, Italy might not suffer so heavily from the evils of a colossal public sector deficit, heavy subventions, to often inefficient state industry and lavish spending on not always deserved welfare benefits.

Yet it is wrong to see the South as an unnecessary appendage of Italy that could at any

moment be dispensed with. "What the Mezzogiorno will be, Italy will be," wrote Giuseppe Mazzini, one of the architects of Italian unity, in 1872, and his words are truer than ever today. For the South not only gives the country its double identity as a part-Mediterranean, part-European country it also gives it many of its leading politicians and much of its bureaucratic tradition.

"Italy," two English historians wrote some years ago, "is a country with a European majority governed by a Mediterranean minority."

But despite that fact, the unity of Italy will still remain somewhat artificial if the gap in wealth between the South and the rest of the country cannot be bridged.

"From Rome came nothing. Nothing had ever come but the tax collector and speeches over the radio." That is what Carlo Levi wrote in Christ stopped at Eboli, his elegiac description of life in Basilicata before the 1939-45 war. His description of the dogged and fatalistic southerners, the mystery and superstition just below the surface, still stand. But Rome has since made amends.

Since the war Italian governments have operated one of the biggest and most ambitious development programmes for a backward area ever seen until the oil boom transformed Arabia. Its aim was to over-

come the poverty and underdevelopment of the South — the fruit of centuries of "feudal" and inefficient administration and the malign facts of geography.

The policy was spearheaded by the Cassa per il Mezzogiorno, set up in 1950 to direct the "intervento straordinario" or exceptional intervention which the South was felt to merit. From then until 1982 it spent no less than L94,000bn (£40bn) at 1982 prices.

At first the emphasis was on infrastructure. The roads, dams and aqueducts that the Cassa installed are its greatest monument. Only 120 of the Mezzogiorno's 2,543 communes (towns and villages) had running water after the 1939-45 war. Now virtually all do. Marshes were drained and malaria eradicated — a development that on its own transformed life in the South.

National economic growth, a vital motor for the Mezzogiorno, became more spasmodic and patchy, and the opportunities for emigration — the South's

melancholy safety valve — all but disappeared. The great minds which had piloted southern development retired baffled and the Cassa ran out of ideas. Blindly, it pressed on with infrastructure work, some of it valuable, much of it superfluous. But the combination of the political imperative to spend money and the construction lobby's insistence on receiving it meant that 80 per cent of the Cassa's spending in 1983 went on public works.

Need

Perhaps nothing symbolises the follies of southern development more than the story of Gioia Tauro, a little town north of Reggio Calabria. In the early 1970s the Government decided to locate Italy's fifth integrated steel complex there. To this end more than 100,000 trees

were uprooted, and an entire hamlet moved from the fertile plain north of the town. By 1979 it had been realised that there was no sense in going ahead with the steel plant, given the state of the world steel market. But work to create the immense port that was intended to serve it — said to be the largest in the entire Mediterranean — went ahead anyway, as did construction of a reservoir to provide the non-existent steel plant with water.

The two projects, still under way, will cost well over L600bn. Finally, a possible use was devised for at least part of the great harbour — building a vast coal-burning power station. All was settled, or so it seemed. But then the local authorities, on whom so much money had already been lavished, objected that this was not the kind of project they wanted and that

the additional funds the Government was going to provide along with the station were grossly inadequate. The row is still going on.

The scandal of Gioia Tauro only further fuelled the anti-southern feeling which has been mounting in northern Italy in the last two years, culminating even in physical assaults on southerners. Last August, when the by then already provisional existence of the Cassa per il Mezzogiorno came up for renewal, not enough MPs turned up to vote for it. The Cassa then went into liquidation.

It can still spend money and maintain its commitments, but it cannot commission new projects. Meanwhile, parliament is considering a Bill which would set up a new national fund for the development of the Mezzogiorno.

The fund would operate differently from the Cassa: instead of managing the construction of projects, it would function more as a development bank, approving and funding projects which would be proposed to it by other organisations — local authorities, other state institutions, even private-sector companies. These bodies would then be responsible for managing the projects. The fund would be endowed with L120,000bn to spend over nine years.

There is no certainty that the Bill setting up the fund will be approved in its present form, or even at all. And the provisional arrangements could easily continue for years. But if it were approved it would put much more responsibility for development on the shoulders

of the local authorities, especially the governments of the eight regions which comprise most of the Mezzogiorno.

It is highly questionable whether these bodies have the capacity to draw up, let alone implement, projects. Their record of administration since most of them were established in 1970 has been pitiful, at least in Southern Italy. Any devolution to the regions would make it unlikely that inter-regional projects — such as the Cassa's great water schemes — would ever be proposed.

But the idea does have its supporters. The economist Prof Massimo D'Antonio of the University of Naples admits that the local authorities are weak but believes the new system would force them to become more efficient. "There is going to be a tremendous squeeze on public

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speeding in the years to come and the taxpayers are getting more and more impatient. The only way we are going to get contributions from the state is if we demonstrate that we are spending the money well. This is almost the South's last chance. If this (new) law fails it will be the last of its kind."

There are other questions to be asked about the proposed fund. Even though the South as a whole has substantially lower income per head than the rest of Italy, there are several fairly prosperous parts of the Mezzogiorno, for example areas of Puglia. Do they still require assistance? Some people, such as Prof Sandro Petriccione of FIME, a state investment company for the South, believe the richer areas would be better off without the assistance they have been getting recently from the Cassa, with its emphasis on public works.

Grip

Is the fund the right means of dealing with the huge urban problems of Naples and Palermo, both under the grip of organised crime, or of the rural wretchedness of Calabria, where criminals also predominate?

The most telling criticism of the development policy Italy has employed in the South in the past 40 years is that it has reinforced the ingrained attitude of most southern Italians that if anything is going to be done it will be done from outside and from above.

The policy has done nothing to break down the social structure based on networks of clients who depend on a few big men in the political parties. This is not the climate that fosters individual entrepreneurs and the launching of initiatives from below. Yet that is what southern Italy desperately needs.



Sig. Emilio Colombo, one of Italy's Christian Democrat leaders, talks to villagers in Basilicata

Southern Italy

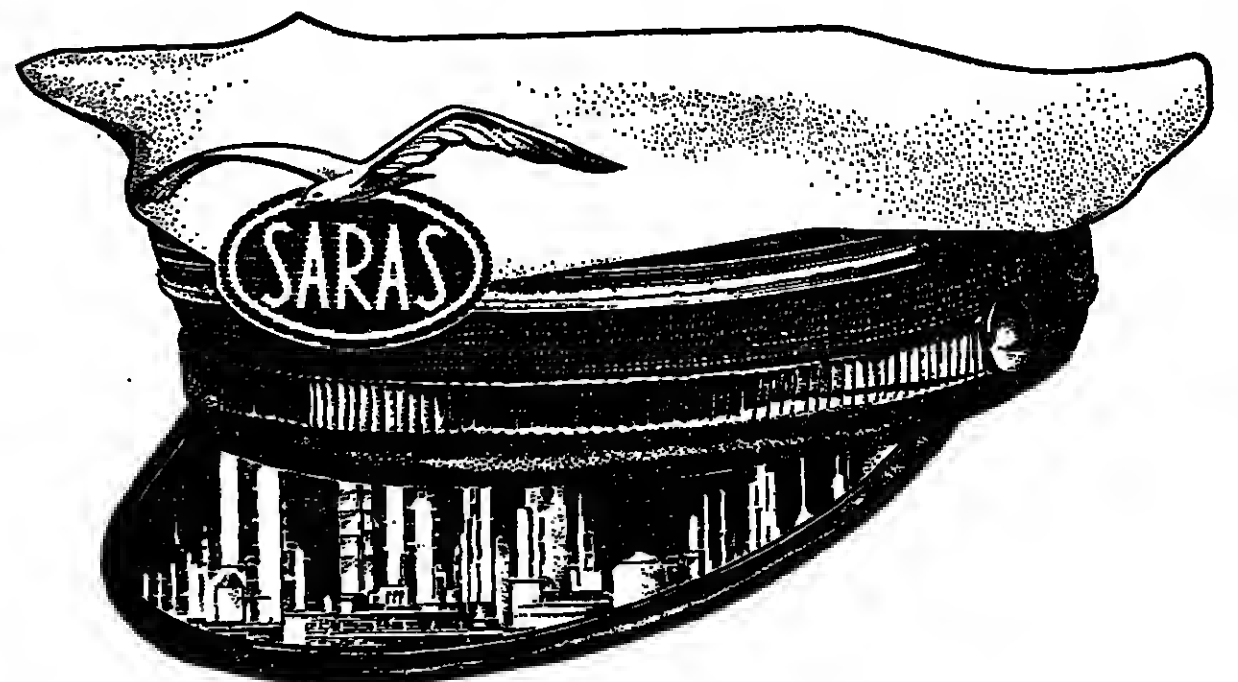
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Southern Italy 2

Closing the gap with the North is expected to take decades, as James Buxton reports

Economic breakthrough still awaited

"THE MEZZOGIORNO has been blocked since 1974. Since then there has been very little new industrial investment and some of the big oil refineries and chemical plants have closed down. The economic recovery that is now under way in Italy is mainly in the areas that are industrialised. As the South isn't heavily industrialised, it isn't much affected by it."

"In the rest of Italy, new jobs are being created as people move out of industry into services, but service jobs spring up much more easily in mature industrialised areas than in places that have only been touched by industry. All the South can do is wait."

This is the stark view of the Mezzogiorno of Prof. Pasquale Saraceno, head of SVIMEZ, the leading economic research institute concerned with the South. Is he too gloomy?

First, a glance at the statistics. They attest to the remarkable transformation that has been wrought in the Mezzogiorno since 1950—but also to the glaring differences with the rest of Italy.

Between 1951 and 1981 the proportion of the southern population (which now numbers 20m) engaged in agriculture fell by more than half from 56 per cent to 23 per cent. But the proportion of the labour force employed in industry has only risen from 13 to 17 per cent, and stands at about half the level for the rest of Italy.

But has the gap between North and South narrowed over the past 30 years? One way to measure it is by output per head measured in 1983 prices.

They show that it increased by a factor of 2.02 in the Mezzogiorno between 1951 and 1983, while the equivalent figure for the rest of the country was a fractionally lower 1.93. In other words, the south did grow very slightly more quickly than the centre and north of the country.

Indeed, whereas output per head in the South was equivalent to only 53.2 per cent of the average output per head of the rest of the country in 1951, by 1983 this proportion had risen to 61.7 per cent.

But the gap is still so wide and would take many decades to bridge at current rates of growth. Indeed, between 1974 and 1983 the gap measured on this basis only narrowed by 0.4 per cent.

The figures for output per head would have been far worse had it not been for the fact that no fewer than 4.5m people emigrated from the South between 1952 and 1983. This release valve is hardly available any more, and part of the consequence shows up in the statistics on unemployment.

Reserves

The rate of actual unemployment—consisting of those without work plus those laid off—is considerably higher in the South than in the rest of the country: 14.1 per cent against 9.0 per cent in 1983, and on top of that the South contains reserves of people who are either prepared to work, or able to work but not looking for a job, which barely exist in the centre and north of Italy.

Altogether this means that in 1983 the South had a total reserve labour force of 24.7 per cent of the population of working age—compared with one of only 11.1 per cent in the rest of the country. And the southern birth rate is rising much faster than in the rest of the country.

Stark as the figures are, they conjure up a picture of a part of Europe where one's common assumptions about "normal" levels of unemployment and of underemployment cease to apply. For the fact is that in many little towns in the South there are very few possibilities of work at all.

It is therefore easy to comprehend why the politicians resort to the artificial creation of jobs—from creating additional policemen and dustmen in villages where there is little crime or litter, to the wholesale employment of nearly 100,000 foresters in Calabria.

There is a certain logic about the fondness of politicians for commissioning useless construction projects—building unjustified industrial plants and high grade roads—just to keep people occupied.

The recipients of such charity are hardly slow to complain—and they naturally reward their benefactors with votes. National politicians regard the Mezzogiorno as a reserve of voting power, the majority of it still marshalled by the Christian Democrats.

Ingenious means are found to subsidise voters: most of those 5.2m Italians who draw an invalidity pension—a figure that bears little relation to the number of invalids—are in the

South. In the town of Enna in central Sicily the "disabled" pensioners outnumber the old age pensioners by 669 to 100.

Yet is the picture really as bleak as the figures and the anecdotes suggest? There is a great difference between different parts of the South. It has been calculated that the five richest provinces (or counties) in the South had output per head that in 1983 equaled 70 to 83 per cent of the average for the rest of Italy. On the other hand, the bottom five provinces (out of 34) ranged between only 43.6 and 55.8 per cent of the average.

Spontaneous

What has happened is that the post-war industrialisation of Italy—which consists mainly of small and medium-sized businesses developing spontaneously in previously mainly agricultural areas—has spread from the north east down the Adriatic coast. It has crossed into the assisted area of the Mezzogiorno at the southern fringe of the Marche, into Abruzzo and down into the heel of the country to cover most of Puglia.

The same process has been at work in parts of Campania—the hinterland of Naples—and in the flatter parts of Basilicata and in eastern Sicily.

This may not always be reflected in the statistics in a country where figures, however skilfully collected, are unreliable and where many businesses exist underground. One of the few true indicators

of economic activity is the consumption of electricity. The figures presented by ENEL, the electricity authority, show that in the early part of this decade electricity consumption in the Naples and Palermo areas and elsewhere jumped by four or five per cent a year, when that of Turin and Milan was virtually static.

This suggests that a process of spontaneous development is taking place in several parts of the Mezzogiorno, which may not be recorded in the main statistics, as the peasant farmer gradually becomes an industrial entrepreneur. The electricity figures show the South growing substantially faster than the rest of the country in the last few years.

Is this enough to offset the gloom caused by the decline or stasis of large-scale industry in the South, by the horror of the urban decay of Naples?

The answer is no. As one might expect of such a large area, some places have made more of their opportunities than others. But the whole of the South suffers disadvantages due to history and geography that cannot easily be overcome.

In the end, it is hard to agree with the conventional view that an area as generally poor as the Mezzogiorno does need special help. The more successful areas need less assistance. The problem is to find the most effective and efficient ways of helping the weaker zones. That is what the debate about the future of the Mezzogiorno should be about.

As well as fruit and wine, tobacco is an important crop in the Mezzogiorno. Italy is the biggest tobacco grower in the EEC, harvesting for 40 per cent of the Community's crop. It is grown on 60,000 hectares of land in Campania and Puglia, where the November auctions in the baroque city of Lecce attract buyers from the big international companies.

There has been a big shift in the varieties of tobacco grown in the last decade because of the changing tastes of Italian smokers and changed demand abroad. Planting of dark indigenous varieties like the *beneventano*, a Campanian native, has been greatly cut back, while the cultivation of light American-type tobaccos has been sharply increased.

held in the Campania region. Italians call them "handkerchiefs" of land.

Southern farmers' deeply entrenched suspicion of others, sometimes an almost pathological fear of being cheated, coupled to an independent streak, has limited the acceptance of co-operatives. The Left-wing Lega Nazionale Co-operativa di Mutue says that only 18 per cent of its members are in the South and a similar situation exists in the Christian Democrat Federazione Co-operative Italiane.

By clinging to family and to what is often a false independence, given the level of financial assistance and featherbedding which agriculture receives in the Mezzogiorno, southern farmers are rejecting a co-operative alternative which offers concrete possibilities of overcoming some of the disadvantages inherent in small unit agriculture would enhance marketing capability and improve the returns from capital investment in plant and equipment.

Backwardness on the commercial side, a lack of feeling for what the consumer wants, is heavily underlined in the national plan for agriculture recently presented by the minister, Filippo Maria Pandolfi. The plan highlights the lack of appeal of typically southern products like tomatoes, citrus fruits, table grapes and wine.

Despite Europe's tomato surplus, evidenced by a 30 per cent oversupply within the EEC, yields per hectare are increasing. This is a problem for Italy which grows nearly two thirds of the EEC's tomato production (3m tonnes in 1983) and particularly for the South where Campania, Puglia, Sicily and Calabria are responsible for over 60 per cent of the national crop.

Six Pandolfi's plan notes: "Italian exports of fresh tomatoes are limited because the Italian product fails to match market preferences in northern Europe."

The situation for citrus fruits, 88 per cent of Italian production (3m tonnes in 1983) is grown in Sicily and Calabria, is even worse. Notwithstanding EEC demand which is only half satisfied by Community supply,

Italian citrus produce has difficulty in finding space. Supply from other producer countries is much more efficient in terms of product quality and service, and Italian growers appear blind to this.

Over 90 per cent of Italy's production of table grapes occurs in the South, particularly in Puglia, Sicily and Abruzzo. "The expansion of growing, into zones which are often unsuitable, creates difficulties in selling a significant part of production," the plan notes.

As for wine, Europe's lake continues to deepen, with declining consumption in the principal consumer countries being aggravated by increasing harvests. Community oversupply amounts to some 30 per cent, and the Mezzogiorno which makes over 50 per cent of Italy's wine earns part of the blame.

As well as production cut-backs, which would mean ripping out vines, the Ministry of Agriculture wants a strict discipline for wines labelled *Denominazione di Origine Controllata*. Italy's quality guarantee.

Everyone is aware that enlargement of the Common Market is going to create tensions and problems in Italian agriculture, especially in the South. Spain is already a major supplier of citrus fruits and fresh tomatoes to north European markets, and its production of table grapes and wine will certainly also have an impact.

Defensive positions are being prepared. "We are in favour of the entry of Spain and Portugal, but the complexity of the problems and the economic consequences should not in the least be underestimated," said Sig. Arcangelo Lobbiano, chairman of the *Confederazione Nazionale dei Coltivatori Diretti*, which is Italy's largest agricultural association and is particularly strong in the South.

According to Sig. Lobbiano: "There is a risk that the country's southern products will be governed by a large free-trade system without any efficient defence."

"Because this is a political move, the social and economic costs involved cannot be borne just by the agricultural sector," Sig. Lobbiano warns.

David Lane

Imagination and verve in chaotic city

"OKAY, SO Naples is not an easy place to live in. We've got our problems. Crime, traffic, the city is sometimes a shambles; but look at that view, che bella. The Bay of Naples, Mount Vesuvius; and above all, there's us—the Neapolitans. We get by okay."

No demographers, or sociologists, could hope to offer up a summation as precise as the one above, given by Maria, a Neapolitan taxi driver, who through 35 minutes of traffic (the distance travelled was about a mile) along the Port of Naples road, gave vent to the love, and frustration, he feels in his native city.

Ah, Naples... once the great centre of art and culture, second only to Paris in Europe. Now the quintessence of all that is troubled, and yet extraordinary, about Italy. "A city which has lost its role," according to Sig. Riccardo Boccia, the town prefect of Naples.

Tourists no longer stay there, instead they pass through on their way to Sorrento, Positano and the Amalfi coast, or to visit the lava-preserved ruins of Pompeii and Herculaneum.

Traffic is this city's greatest problem. Some 30 per cent of the narrow streets are blocked by parked cars, and heaven help anyone who expects to reach a meeting even within an hour of appointed time.

Naples, with a population of 1.2m, has the highest car registration rate of Italy, and driving through it is a surrealistic experience. It makes the chaos of traffic in central Rome look tame.

"The traffic must be dealt with," declares Dr. Ferdinando Venturiello, chief executive of the Banca di Napoli, Italy's seventh largest bank, which has just made over £180m (US\$93m) in low-interest loans for new underground car parks.

Dr. Venturiello sighs visibly when discussing the seemingly endless traffic jams which frequently paralyse the city. "It can be so embarrassing. We are a major bank, and the other day I had to schedule a loan signing for an American multinational, in Rome because the traffic here would not have permitted the executives to fly in and reach the city centre in time."

Naples has problems. It should be the capital of the Mezzogiorno, but what does it have to offer? Outside the city is the unbecomingly and lavishly modernised Bagnoli steel plant, part of the state-owned *Italcristal* company, and Montedison's Montefiore chemicals plant.

Vast tracts of beautiful beachfront are now blackened by the Bagnoli works. All of the state industry around Naples, including Aeritalia (the aerospace company), Alfa Romeo (the loss-making car company), Selenia (the defence electronics group) and Italtel (telecommunications) accounts for only 1.6 per cent of the number of Neapolitans employed.

The 50,000 small shops and bars in greater Naples almost all pay extortion money to the main cottage industry in Naples—the Camorra, a local version of the Sicilian Mafia. Dr. Boccia reckons that the real business of Naples road, gave vent to the love, and frustration, he feels in his native city.

"The big industries here are all state, and they are nearly all in crisis. The plants are closed from 30 to 50 per cent. Our bourgeoisie is not entrepreneurial—they prefer to be doctors, professors, and lawyers; but we produce a lot of gloves," Dr. Boccia says.

Gloves, are nothing to sneeze at. Nor are bed frames, counterfeits, shoes and belt buckles, counterfeit Levi jeans, shirts, sweaters, Cartier watches, or any of the other ingenious creations which emanate from the pavement workshops of Neapolitans. In the "poor" quarters of the city, the cramped businesses, they manage to achieve, generally in family businesses, an amazing output.

It is said that some of the finest gold jewellery and leather goods, sold at exorbitant prices in boutiques on the Piazza Vesuvio in Florence, come from the workshops of Naples.

One has to admire the imagination and verve of the Neapolitans. Never mind the official unemployment figures, two or three times the national average of ten per cent, Naples is thriving anyway. Flexible, imaginative, innovative, forever ready to strike a deal, the Neapolitans represent Italian *Realismo*. They are *Realisti*. At the *arte di arrangiarsi* (the art of getting by) and they know it.

NAPLES: Traffic jams, industrial crisis and extortion rackets cannot daunt the energetic and adaptable Neapolitans, who always find a way to make a living.

Unfortunately, the art of getting by is not always attractive. Corruption among the city's 30,000 local authority workers is rampant, and absenteeism is epidemic. Many port workers, for example, rent their identity cards out to friends; they instead, might run a bar or cafe, or work at home producing fake labels for jeans.

An estimated 50,000 people are still living in temporary accommodation, such as garages and hotels as a result of the 1980 earthquake. The damage is still visible in the centre where scaffolding holds cracked buildings up. Construction going ahead to house the homeless will take two or three years to complete.

The city government is like a *camorra* in itself. The city's party coalitions keep collapsing. The new mayor, a Socialist (Sig. Mario Amato), has been in office since November 27 and is hoping to keep the 80-member council together long enough to pass the 1985 budget.

But his coalition of Socialists, Christian Democrats, Republicans and Liberals does not even make an absolute majority, so a few social democrats will be "brought in" to make the vote.

Naples is chaotic, but it might just be ready to take itself out of its morass. The Banco di Napoli, local art patron and other leaders are trying to group together to create greater awareness of the need to reform and modernise.

Dr. Boccia says the main organised Camorra group—*Type Nuova Camorra Organizzata*—is being dismantled. Its leader, Sig. Raffaele Cutolo, has built and run the organisation from jail for 20 years, but in recent years the arrests have been impressive.

The number of Camorra-related killings has dropped from 192 in 1982 to 118 in 1983 to 94 last year, and Camorra arrests in the past three years total a staggering 27,437. "Cutolo is finished as an organisation," Dr. Boccia declares.

The dedicated Dr. Boccia wrings his hands about the "lack of a programme for Naples" but still says he admires the spirit and gusto of the Neapolitans. "Naples is a sensitive individual, expressed in the north's dignity."

This Naples certainly is, but it still functions—just about. And that is the way things have always been. In the words of Maria, the taxi driver: "We get by okay."

Alan Friedman

Spectacular island hit by organised crime

"TO BE HONEST, I must say that the Mafia in Sicily is now stronger than the state."

These grim words came from Sig. Lillo Mannoia, the newly elected regional party secretary in Sicily of the Christian Democrats, who form the leading party on this spectacular, but blighted island.

Sig. Mannoia made this remark in a cold drizzle outside the University of Palermo, where for the previous three hours a string of local Communist, Socialist and Christian Democrat politicians had made speeches attacking the Mafia.

The meeting, which brought together many leaders of Palermo's public life—priests, judges, brokers and businessmen, murdered policemen and political leaders, university professors and students—was held as a kind of public protest against the permanent outrage which is the Mafia.

No part of life in Palermo is truly free from the influence of this secretive and all-pervasive criminal organisation. The economy of Palermo, a city of 700,000 people, is under its firm control. It is the same whether one is speaking about the construction industry where city contractors are embedded by Mafia contractors and then left to rot, or whether one thinks of the thousands of shopkeepers who pay protection money to local extortionists.

Political life in Palermo, a rambling city which reveals both wealth and squalor, is also heavily influenced by the Mafia. Dr. Leoluca Orlando, vice-minister of Palermo and a professor of law at the University, says it has infiltrated the ranks of his own Christian Democrat Party. He reckons that the key to politics in Palermo is to do nothing. "If you take action you risk offending someone."

The view of Sicily's capital as it is approached from the sea is impressive. The city is built at the head of a wide bay, overshadowed at the north by the jagged cliffs of Monte Pellegrino.

Palermo fades quickly against the sky, reality what one local official calls "the heroin dollar." With annual revenues from drugs estimated at billions of dollars, the Mafia is no longer the "honourable" social force of ten per cent.

With the Mafia's trade, the Mafia no longer has time to cultivate political contacts any longer," says Dr. Orlando.

Now the Mafia moves quickly here. It buys politicians and if someone is not for sale, he is killed.

The list of politicians, police chiefs, magistrates and other victims murdered by the Mafia in recent years is long. Sig. Piero Matarrelli, Christian Democrat president of the region of Sicily, was assassinated five years ago. Since then a leading Communist crusader against the Mafia, an anti-Mafia judge, head of the special police squad and many others have been killed in Palermo.

But no assassination brought with it as much political disruption, fear and chaos as the September 1982 machine gunning of Gen. Carlo Alberto Dalla Chiesa, the special high commissioner against the Mafia, and his newly-wed young wife.

Gen. Dalla Chiesa's killing, Palermo's city government and the island's regional assembly—both Christian Democrat controlled—have been paralysed. Accusations that Christian Democrat politicians turned a blind eye to the murder of Gen. Dalla Chiesa helped bring down the governments two years ago and led to a state of revolt inside the Christian Democrat cadres. In the past year alone there have been no fewer than five mayors of Palermo. All have resigned in impossible jobs and "ungovernable city."

One of Palermo's ex-mayors (from the 1970s) has just been arrested and charged with criminal association with the Mafia. At present, Palermo has no mayor and is being run by a special commission.

Not only is the Christian Democrat Party mired in internal struggle but, according to Dr. Orlando, who is helping to

rule Palermo until elections in the spring, the Mafia "exerts rigid control here."

Let us face the truth. In Palermo, we cannot spend half of our 1980bn annual budget because one Mafia boss contractor might take offence if another says the word "no."

Our infrastructure suffers, the people suffer. Government must be based upon consensus, power and responsibility. What good is consensus and responsibility if the Mafia has all the power?

The secretary of Italy's Christian Democrat Party, Sig. Ciriaco De Mita, has made three trips to Palermo in recent months to try to resolve the party's crisis on the island. The Mafia has become a national embarrassment to the Christian Democrats, who are worried it could affect their polling in Italy's administrative elections this spring.

As for the people of Palermo, there are signs of work and life without much hope that things might change. The official unemployment level is 14.2 per cent in Palermo, against a national average of 10 per cent for Italy. In terms of per capita income Palermo ranks around the 80th city in Italy; in terms of consumption of goods and services it is Italy's fifth richest city. The Mafia-generated disparities could not be clearer.

At the Banco di Sicilia, largest on the island and one of Italy's more important nationwide banks, there is reluctance to discuss the hidden side of the local economy. Senior executives say that Palermo is like Washington DC, a political capital, where state employees represent between a third and a half of the workforce. This is true, but what of the rest of the economy?

Tourism may account for 5 to 10 per cent of the local economy. Agriculture makes up about 14 per cent of Sicily's gross domestic product and industry (which takes in thousands of small manufacturers ranging from clothing to metalworking) an additional 25 per cent, according to the Banco di Sicilia.

There are signs of hope in Palermo. Work has begun on the renovation of the Grand Teatro Massimo opera house and there are plans for a revival of the historic centre. But any city-sponsored work immediately opens the question of who gets the contracts.

Alan Friedman



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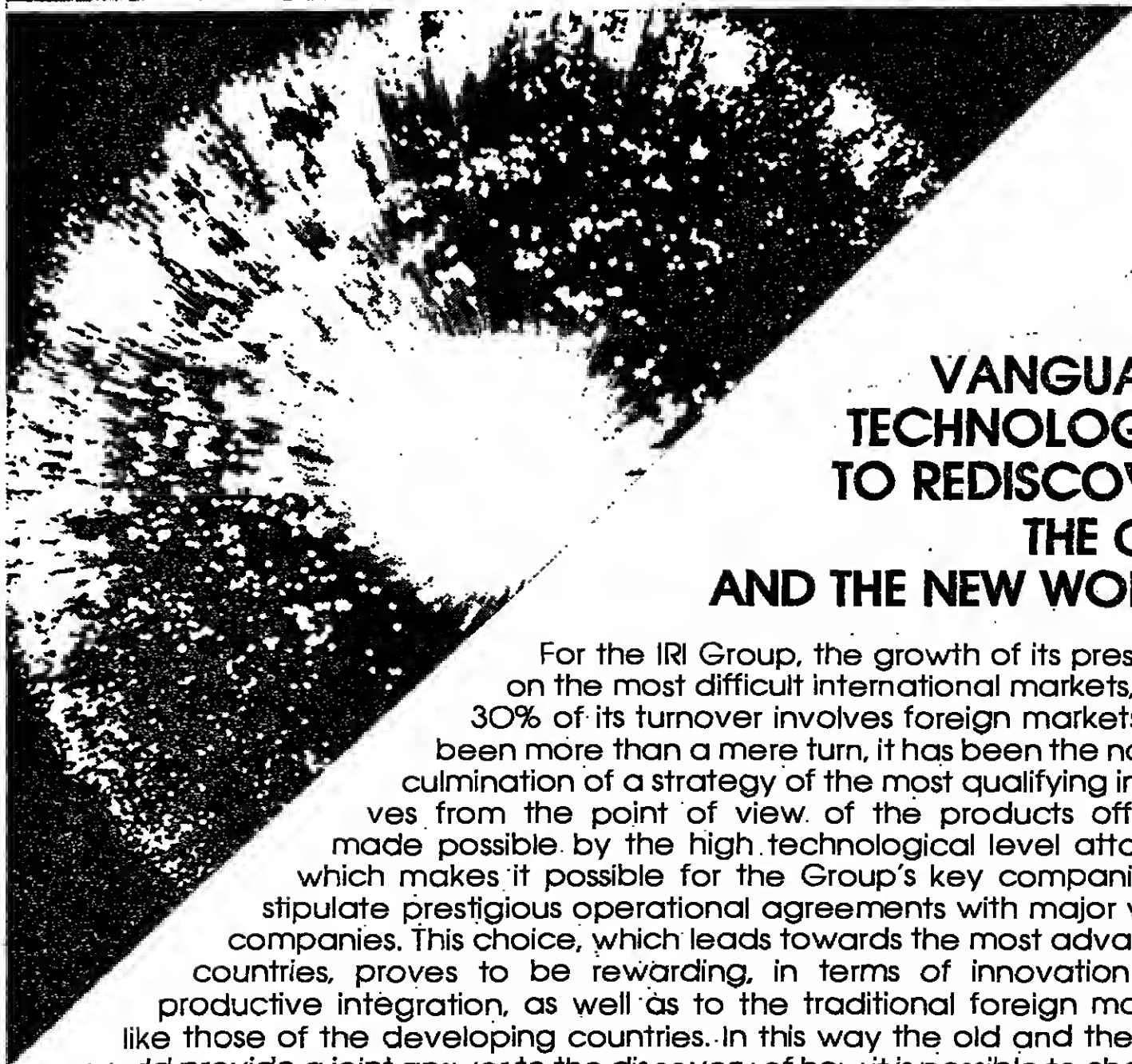
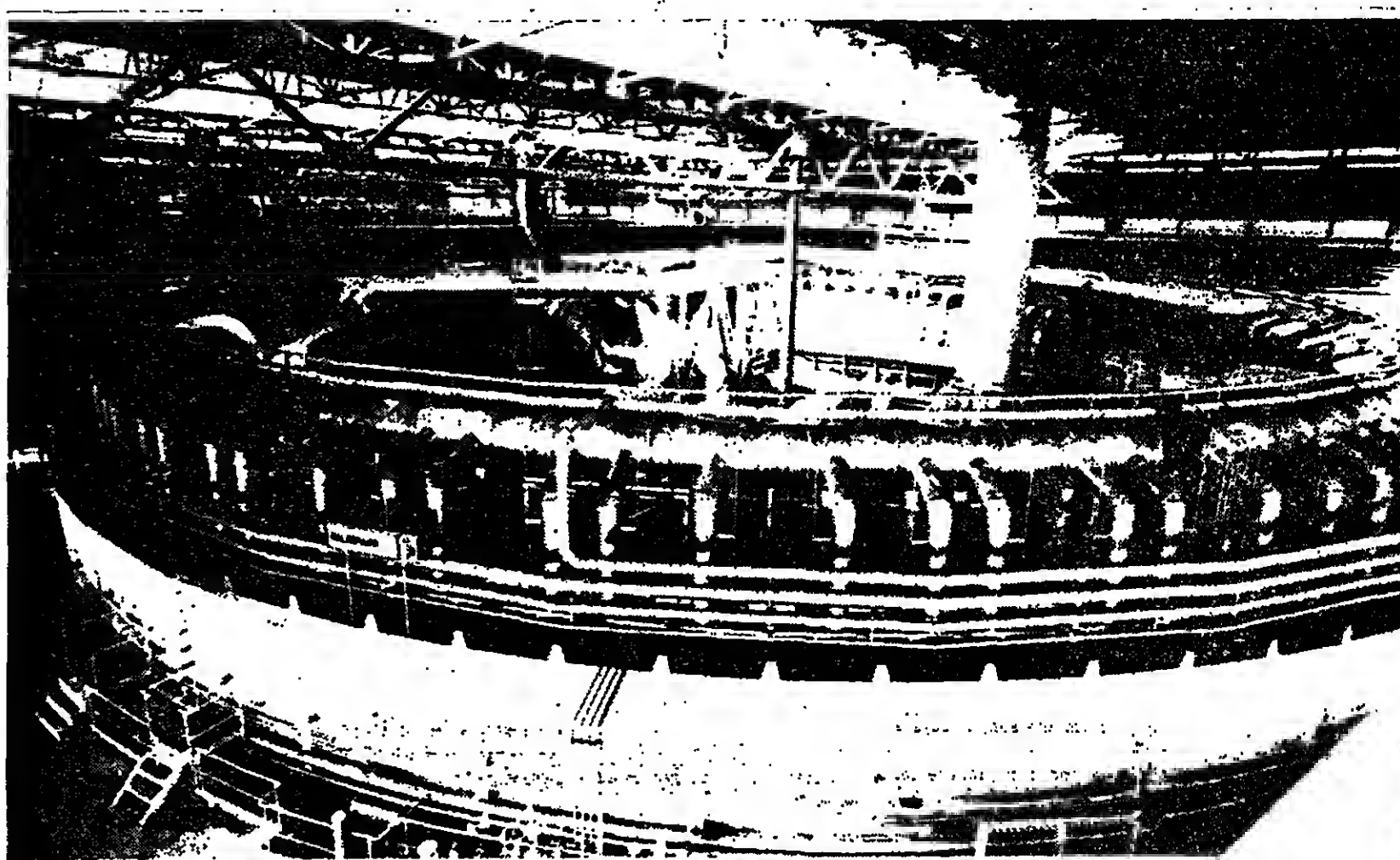
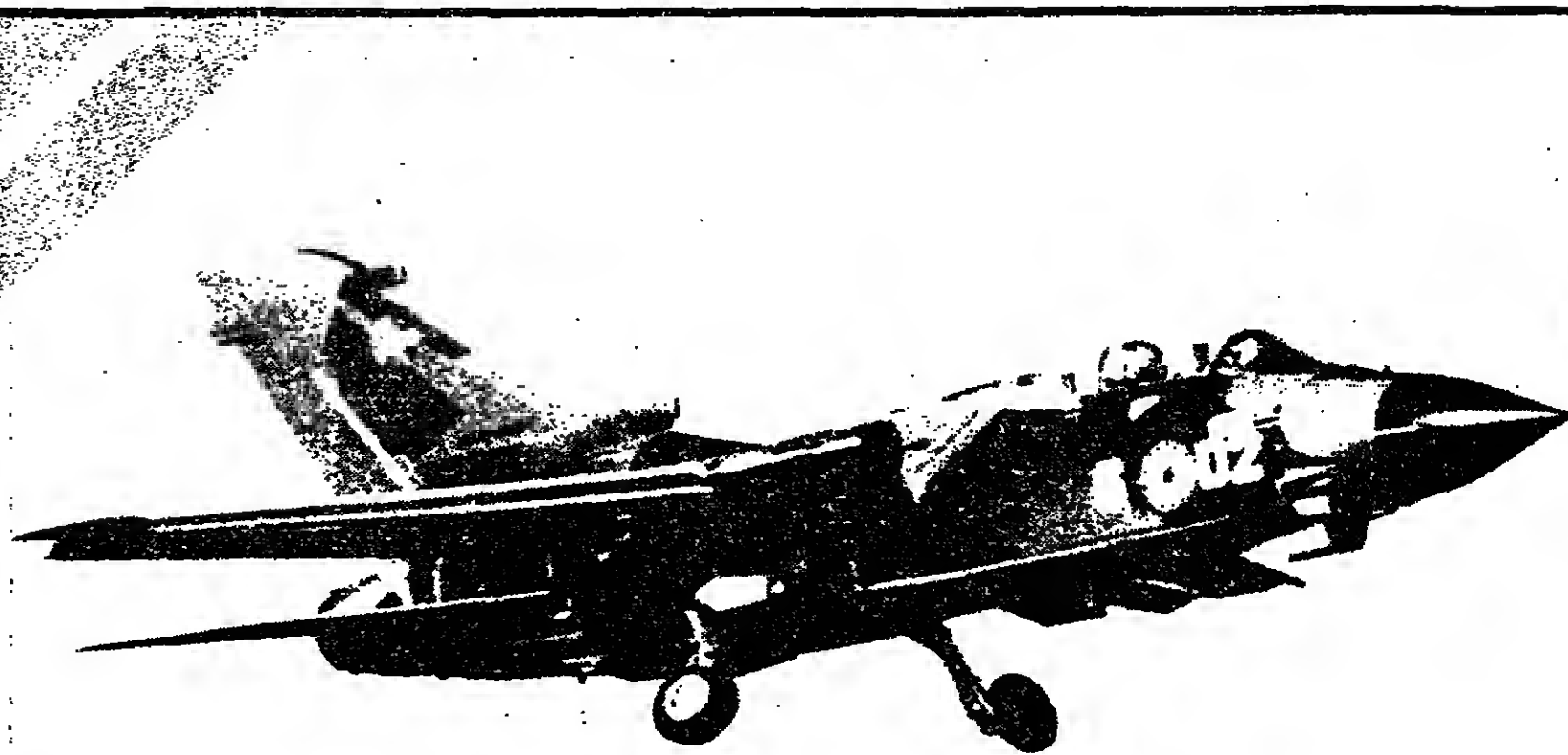
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Southern Italy 4

Living standards have greatly improved in the Mezzogiorno but the two regions profiled here still suffer from their isolation.

Enduring need to retain an island identity

NOWHERE IN Italy is regionalism stronger than in Sardinia where the natives refer to mainland Italy as "the Continent". It has stubbornly resisted integration with the rest of Italy and yet Sardinia played a significant role in Italy's unification, providing the new state's first king. It was also the home base for many years of that great Italian nationalist, Garibaldi. Sardinia's relative remoteness—200 km from mainland Italy, 280 km from mainland France—has ensured its virtual exclusion from Europe's mainstream economic and political life. Invasion and occupation across the centuries has left it surprisingly untouched by external influences. But then, its various invaders largely left Sardinia in benign neglect until it fell prize to the House of Savoy in 1720.

The Piedmontese devoted considerable resources to the rehabilitation—social, economic, and agricultural—of Sardinia. They achieved some measure of success, only to be met by resistance from the more independent-minded Sards. And this has been an enduring feature of island life—tolerance of the outsider, and a readiness to accept anything he might hand out, but opposition to any form of integration with his way of life.

Thus, Sardinia retains a very separate identity within Italy; the local language (in its various forms) is spoken universally by the islanders and is much more than a mere dialect, and a wealth of folklore and customs survive to delight historian and tourist alike. The Sards take pride in their being different but bemoan the apparent lack of interest shown by mainland politicians and industrialists. They share, therefore, a common cause with the other marginal regions of Europe in wanting to keep their identity while having a bigger share of the economic cake.

Physically, Sardinia is a mountainous, stony place, parched in summer and never too cold in winter, although snow has been seen this month

for the first time in 20 years. Much of the island is covered by a bewildering variety of bushes and small trees which contrast pleasingly with the granite rocks. Its long coastline offers a combination of stunning beaches and attractive coves.

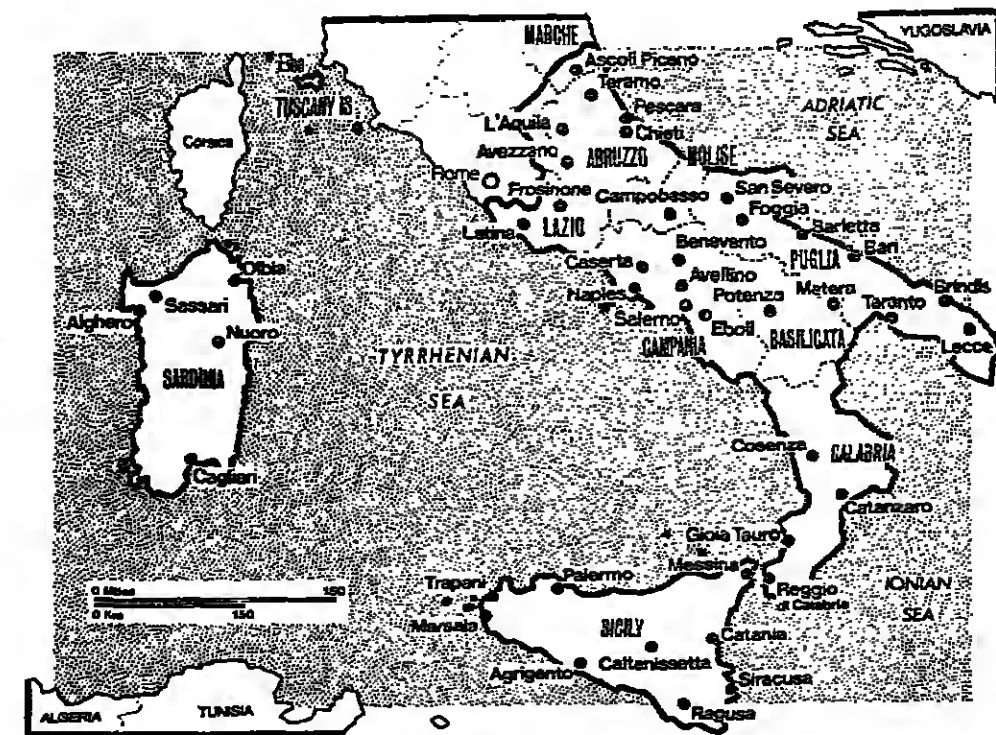
Agriculture is the single dominant economic activity, spread between livestock and crops. Sheep had been the traditional mainstay of farming life and the coarsely-clad shepherd and his dogs are still a common sight in the highlands. Cattle raising has fluctuated in importance and showed signs of taking off following the introduction of foreign breeds.

But the Sardinian farmer is resistant to change and his slow, plodding ways led the Fascists to establish several colonies of agricultural workers trans-

ported from the Veneto. These still exist, operating on a co-operative basis, the main one being at Arborea (known originally as Mussolinia).

Agricultural policy has been thwarted by rivalry between the hill farmers tending their sheep and the crop growers in the lowlands. And the land is being abandoned by many whose families were traditionally engaged in agriculture. Low incomes, due largely to poor husbandry and the lowest yields per hectare in Italy, have driven many younger workers into industry and construction or away from Sardinia altogether.

A bright spot has been wine; the area under cultivation has more than doubled since the 1959-65 war. However, there is limited demand elsewhere in Italy and abroad for some of the strong reds and promoters of Sardinian wine are con-



trating more on the quality wines, particularly the 18 DOC categories, most of which come from the province of Cagliari.

But Sardinian agriculture has generally been a tale of neglect and missed opportunities. (For example, Sardinia's plentiful fishing grounds have never been properly exploited by the Sards themselves). However, agriculture's already sorry state could have been a lot worse had it not been for the large-scale eradication of malaria, until recently the scourge of the island, and successful irrigation projects.

Apart from the ubiquitous artisan crafts of the Mediterranean, traditional industries are confined to salt production (the two salt pans near Cagliari are among the largest in the world) and mineral extraction with an assortment of about 200 mines and quarries at a variety of locations. Lead and zinc predominate but output, by world standards, is modest. The Sulcis coalfield is hardly competitive and produces mainly lignite or brown coal with a sulphur content too high for burning on mainland Italy.

As late as 1958, a government report noted that "in Sardinia a modern industrial structure hardly exists". A generous mixture of development grants (from the Cassa per il Mezzogiorno and a special Sardinian regional fund) and long-term, low-interest loans combined to make investment in Sardinia the most heavily subsidised in Italy.

Both Italian (mainly nationalised) and multi-national industry took the plunge. Unfortunately, they concentrated largely in one sector—refining and petrochemicals. At about the time the great ventures at Porto Torres and around Cagliari, all started in the 1960s, were reaching fulfilment, OPEC was re-writing the economic balance-sheet of the world's oil industry.

The fatalistic Sards took the blow fairly stoically and although the unsightly refineries and chemical plants still belch away along the south-west coast, those concerned with the island's future are widely looking in other directions. However, it is hard to see yet with what results.



Cave houses in the town of Matera, Basilicata.

There are plans for further port development. Could Sardinia become an entrepot for the Mediterranean and the Middle East? Limited production of its own, and poor communications—(which already suffer chronically from airline strikes)—must raise doubts.

Hope therefore turns to tourism, which has grown apace in the last 20 years. The island has just the right cocktail of sun, beaches, local colour and accessibility, and although prices are steeply compared with elsewhere in the Mediterranean, and the threat of kidnappers on the outlook is promising despite a depressing dip in numbers in 1984—in common with the rest of Italy.

But the trappings of international tourism are in stark contrast with the deprivation and poverty still found in rural Sardinia. Some find the high-life style of, for example, the Costa Smeralda development of the Aga Khan and the glittering yacht parade at Porto Cervo offensive in the face of local economic difficulties.

They are less critical of Lord Forte's holiday village project near Cagliari, but nevertheless some local people feel like to have total control of the island's economic activities. Sardinian independence is not entirely a joke. A strong move in its favour emerged after the island's future was widely given regional autonomy with extensive devolved powers. Rome no doubt hoped this

would buy off the separatists and local politics have developed largely along the lines of the mainland party structure. But Sardinia has few friends at court and the death in June 1984 of the charismatic Communist party leader, Enrico Berlinguer, removed from the national political scene one of the island's favourite sons.

Quite unconnected, there has been a recent upsurge in demands for greater autonomy and support for the separatists in the form of the Sardinian Action Party.

Although distinctly Left-wing in a strongly conservative society, it worked its way into third place in the regional elections last June with nearly 13 per cent of the vote and 12 seats in the Regional Assembly with the President of the party occupying, for the first time, the chairmanship of the Regional Junta in an uneasy alliance with the Communists.

This was despite a visit by Sr Bettino Craxi and a posse of ministers to the island in April to listen to the regional government's demands for greater assistance. This should be forthcoming and the new junta has set out even more stringent requirements. But whether, as in the past, Rome's acquiescence will satisfy the more extreme separatists, or merely send them into more demonstrative action, remains a worrying question for the authorities in both Rome and Cagliari.

Simon Gill

Road network transforms remote mountain area

"WHEN Alcide de Gasperi made his first visit to Basilicata in 1950 it took three and a half hours to reach Potenza from Matera. None of the roads was surfaced and we arrived covered with white dust thrown up by the wheels." Emilio Colombo, the Christian Democrat whose power base is in the region, still recalls clearly how exhausting the trip was, especially for Prime Minister de Gasperi who was not accustomed to such conditions.

Few know Basilicata better than Emilio Colombo or are more able to appreciate the changes which have transformed the little known and sparsely populated region since the war. Colombo was born in Potenza in 1920 and his roots, political and personal, are firmly embedded in a constituency which covers 10,000 square kilometres, and runs from the Tyrrhenian Sea at Maratea across to the Ionian Coast, and reaches nearly as far as the Adriatic.

Nowadays, the 110 kilometres which separate the region's two provincial centres are easily covered in less than an hour. According to Sr Colombo, enormous improvements in communications are the most significant aspect of progress since the 1950s. "Isolation belongs to the past. Today's road network allows Basilicata access to the rest of Italy, and indeed contact with itself, without having to cling to mountain sides or scale the peaks."

In contrast to the generosity and simplicity of the region's 600,000 inhabitants, its geography is complex and often inhospitable. The writer Carlo Levi described the people, the harsh terrain and arid lunar landscapes around Aliano in Christ stopped at Eboli, his autobiography of a northerner's banishment under Fascism to a poor southern village. A profound sense of exclusion, of existing at the very margins of the Italian state, pervades Levi's book.

Roads above all have helped to integrate Basilicata into today's Italy. The Autostrada del Sole which swings through the south-west corner, and three trunk roads, "ring" diagonally across the region from the Autostrada and following river valleys down to the Ionian Coast, provide the framework for Basilicata's road system. Today many mountain villages now have roads and are no longer reached by rough tracks. Nevertheless, geography cannot be completely tamed nor the effects of climate avoided. Sr Colombo spends about three days each week in his constituency, despite demanding party and parliamentary calls in Rome, and from November to March when the weather can play havoc with travel plans, he restricts his visits to the two main towns.

Yet even in the summer, he sometimes has to drop in by helicopter. San Severino Lucano, a village near the boundary with Calabria, is at nearly 3,000 feet above sea level and three-quarters of an hour's drive on winding mountain roads is needed to reach it from the Autostrada del Sole. So

this year, at last, the sports field became a helicopter pad for Sr Colombo's visit.

San Severino and its 2,000 inhabitants provides a vivid illustration of Basilicata's past and present problems. Emigration, first to north and south America and then in the post-war period to Switzerland, Germany and Italy's northern industrial cities, has been characteristic of much of the Mezzogiorno. San Severino's population numbered more than 30,000 at the turn of the century.

However, the huge exodus of impoverished agricultural labourers seeking a better life from home have dried up. Sr Colombo says that there is no longer large-scale migration. "First, there is no demand for manpower elsewhere, and thus no possibilities of surplus popu-

lation being absorbed. And second, the past imbalance between agricultural manpower in Basilicata and cultivable land no longer exists," he explains.

But while earlier generations suffered from agricultural under-employment, today's severe unemployment has two very different dimensions. Industrialisation has barely started and yet already unemployment has hit manual industrial work. But according to Sr Colombo, opportunities in the region are even fewer for white-collar occupations. Expansion of education has created a stratum of young qualified people—accountants, economists, surveyors, draughtsmen, biologists and technicians—whose job prospects are bleak.

Sr Colombo says the region lacks an industrial base capable of supporting white-collar work. This is not surprising since industrialisation went into a stall almost as soon as it got off the ground. The discovery of coeuvre deposits at Ferrandino helped the chemicals industry to take off in the province of Matera. "The 3,500 jobs which were created 20 years ago were a great stimulus," Sr Colombo says.

However, the worldwide chemicals crisis led to lay-offs in the region's industry, putting permanent employment at risk. Industrial jobs were lost in other sectors also, further undermining an industrial base which could also bring white-collar employment. Coupled to the considerable difficulty of industrialising from scratch, Basilicata has the problem of distance from markets and from sources of raw materials.

But with about 30 per cent of the working population employed in agriculture, this remains a major source of employment in the region. However, Basilicata's predominantly

mountainous terrain is a severe handicap. Mountain farming, herding goats and sheep and scratching a subsistence living from small plots, is extremely hard and unrewarding, and Sr Colombo recognises that little can be done to change these harsh realities.

Considerable strides have been made in the dry valley areas and along the coastal plain at Metaponto. But as with industry, the absence of entrepreneurial drive and imagination prevents the agricultural sector from realising its full potential. Sr Colombo is disappointed by the failure of fruit and vegetable growers to capitalise on the advantages which climate, soil and irrigation give them. "The correct approach to packaging and selling products is still missing," he says.

Basilicata thus faces a different set of problems today from those of 20 or 30 years ago. People in the region have benefited from the huge leaps in living standards which electricity, piped water, modern housing and education have brought. Health has improved enormously (between 1951 and 1971 the number of hospital beds rose from 600 to 2,300), and diseases such as malaria, endemic as Carlo Levi recorded, have been eradicated.

In addition, progress has been made without attracting criminals from the Neapolitan Camorra or Calabrian 'ndrangheta. The region has remained immune to the sickness or organised crime, and we are fighting to ensure that this continues to be so," Sr Colombo says.

As for the future, the possibilities offered by tourism as a source of employment and regional income are much discussed. Sr Colombo points to the beaches of Maratea and Metaponto, and the latter's archaeological riches, as well as to the famous "sassi" or caves of Matera, 30 years ago a scandal of appalling urban living conditions but now being revealed as a historic archaeological site.

Even San Severino is hoping that tourism will offer it a brighter future. During his recent visit to the village Sr Colombo was asked by local party officials to press for action to establish a national park at nearby Monte Pollino. But this proposal is by no means uncontroversial. In Rome there is a growing belief that national parks should be conservation areas first and foremost, for San Severino's citizens, national parks, road, hotels, restaurants, development and jobs.

Much of the credit for this development and for the substantial improvements which have been achieved is given to Sr Colombo personally. Without his political weight, this small region would, even in the opinion of many political opponents, have remained isolated, forgotten and certainly much poorer.

David Lane

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\$250m project will end centuries of misery in drought-ridden region

Huge aqueduct scheme brings water to Puglia

WATER IS easy to take for granted. In northern Europe a turn of the tap usually gives an immediate flow to satisfy domestic needs. But for southern Italians the absence or scarcity of good water is a vivid and recent memory, and indeed is still a reality for some.

There are many villages in the Mezzogiorno who can claim to have never drunk water, its reputation as undrinkable and unsafe being good reason to combine their liquid consumption to wine. Inadequate water supplies are a centuries-old problem for the inhabitants of Puglia, the arid region which forms the Italian heel at the southern end of the Adriatic. Roman aqueducts near Brindisi, and other ancient engineering works in the region, remain to show how the authorities of Imperial Rome tried to deal with the area's water shortages.

Failed harvests

But the decline of Rome brought an end to progress, and Puglia was again afflicted by an unrelenting water crisis. Failed harvests caused by drought and dry wells created frequent scenes of desolation and misery.

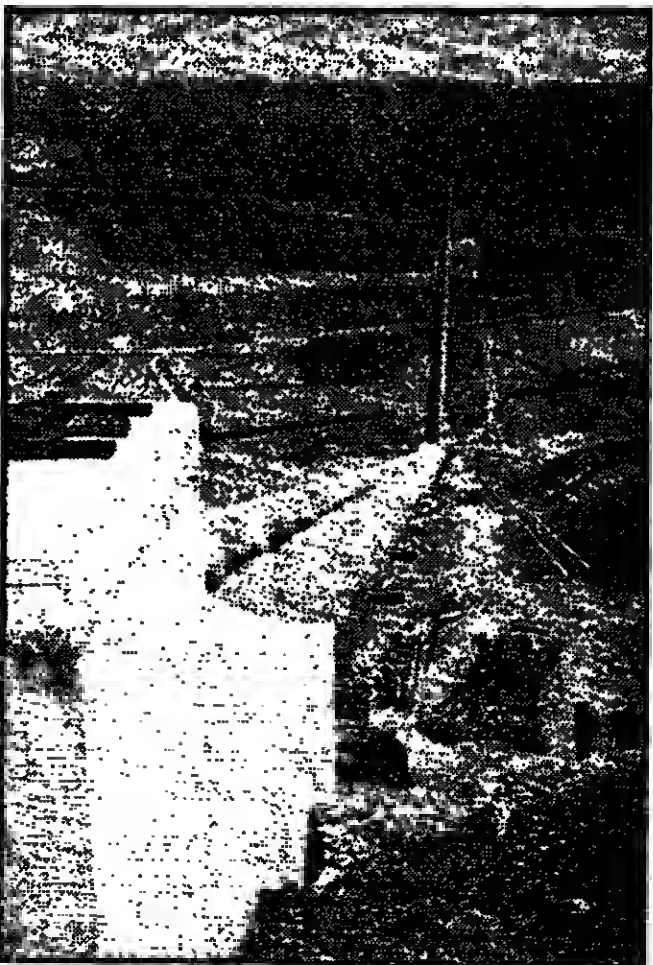
The problem in the Italian South is not an overall short-

age of water, but the timing and placing of its availability. Precipitation is concentrated in winter months, with long dry summers during which many rivers cease to flow. The area's geology and geography is generally unfriendly, some districts being rich in water resources but most of them extremely poor.

At the beginning of this century the state started once again to tackle Puglia's lack of water, although efforts were fragmented and results partial. "Only in 1950 was the situation faced in a rational, integrated fashion and with sufficient financial resources," says Sr Massimo Perotti, former chairman of the Cassa per il Mezzogiorno, in explaining the Cassa's crucial role in resolving Puglia's historic problem.

That water shortages in Puglia have now been successfully eliminated is due largely to the Sinni water project which is nearing completion. This sophisticated system, built over the past 30 years from a complex set of sub-systems, represents a major achievement in the inter-regional management of water resources.

The Sinni system enables Puglia to benefit from the high precipitation of the mountains of the adjoining



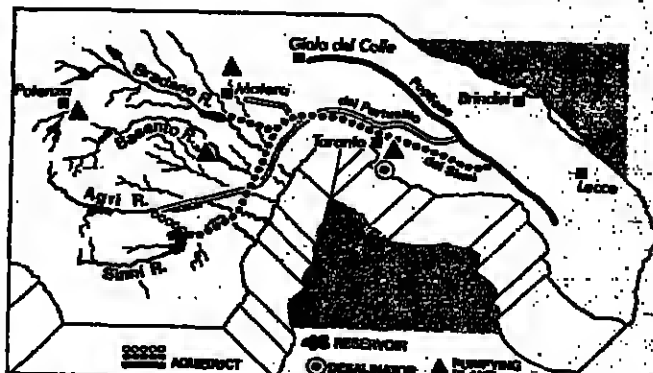
region of Basilicata, by means of a network of reservoirs and pipelines which collect water from the Sinni and three other rivers in Basilicata and convey it to Puglia.

The aqueducts, dams, weirs, pumping plant and purification stations which comprise the system are evidence that 20th century Italy maintains the civil engineering traditions and skills of ancient Rome. However, the theoretical foundations which lie beneath the system highlight modern

engineering and managerial approaches brought to the problem by the Cassa per il Mezzogiorno.

Water resource systems are amenable to supply and demand analysis and the Sinni system was subjected to a rigorous analytical study at the design stage involving the formulation of a huge linear programming model with more than 2,500 constraints and nearly 1,000 unknowns.

The model provided optimal solutions for the



Above: the aqueduct scheme, carrying water from the mountains of Basilicata to Puglia. Left: part of the huge network of pipes, dams and reservoirs

sizes of engineering works to be built, as well as policies to manage the system's operations, in terms of the monthly quantities of water to be released at different points.

Massive theoretical studies regarding the Sinni system were matched on the ground by the impressive set of dams and aqueducts. The dam at Monte Cotugno on the River Sinni is the largest earthen dam in Europe. About 12m cubic metres of earth form the dam which is 70 metres high, 265 metres wide at the base and nearly 2 km long at the crest.

Investment

At the end of this year the last 17 km of the 140 km aqueduct will be completed, a project which has absorbed L.400m (\$250m) of state investment. This aqueduct is one of the final elements in a system which includes other major works like the Pertusillo and Grotte dams on the River Agri and the San Giuliano dam on the River Bradano.

Now being filled, the reservoir at Monte Cotugno will radically change the appearance of the Sinni Valley. The river bed which in summer dries to a 4 km span of arid grey stones, together with surrounding

fields and hills, will eventually be submerged by an expanse of 1,850 hectares of water.

Effective capacity of the reservoir is 450m cubic metres. The costs incurred in building the dam and reservoir at Monte Cotugno amounted to L.60m.

Managing Basilicata's resources permits a total annual supply of nearly 600m cubic metres to agriculture, 300m cubic metres to industry together with nearly 400m cubic metres of drinking water," says Sr Perotti, who is now responsible for the liquidation and restructuring of the Cassa per il Mezzogiorno.

Some of the system's water serves to irrigate Basilicata's Metaponto region. However, most of it finishes in Puglia, where it supplies the civil, industrial and agricultural needs of Taranto, Brindisi, Lecce and the Salento peninsula.

"Over 40 per cent of infrastructure expenditure in the Mezzogiorno has gone to water resource projects," says Sr Perotti.

"The supply and management of water has been a cornerstone of policy since intervention in the South started in the early 1950s, and must continue to be so."

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Candidates' guide to organisational manias

BY MICHAEL DIXON

READERS who travel around different organisations must often have seen a certain motif stuck up by countless workbenches and desks. It gives a truer picture of how companies operate than any organisation chart on a chief executive's wall. The notice reads: "You don't have to be mad to work here, but it helps."

Some management researchers argue, however, that the notice still fails to tell the precise truth about working life today, especially at managerial level. To do that, they suggest, the words would need to be: "You do have to be mad to work here, but it doesn't help."

The reason is that managers wishing to keep their jobs must usually conform to their organisation's habitual way of doing things. And many organisations have habits which, while enough to excite any head-shrinker, bode only gloom for customers, owners and ultimately employees. Or so claim Dr Manfred Kets de Vries and Danny Miller in a book based on their research in numerous anonymous companies.

The two authors are well placed to judge since, besides teaching management mainly at McGill University in Canada, they both have deep interests

in psychiatry. Vries in particular is a practising psychoanalyst. Mercifully it seems that none of the managements they have so far examined has qualified for instant removal in the yellow van. The cases they discuss are not of spectacular "psychotic" disorders, but merely the neurotic kind. (To illustrate the difference: psychotics know the earth is flat; neurotics think the earth is curved—and it worries them rigid.)

Neurotic disorders are so common that there is little point in job-candidates seeking perfectly sane organisations. They probably don't exist. But that need not stop companies from doing consistently well, provided their managers' neuroses are of many different kinds.

The rot starts when executive power is held by an individual or a caucus of managers all with the same mania. Then, given top people's tendency to appoint lieutenants misshapen in their own mould, the whole caboodle is prone to become dominated by one particular kind of nuttiness.

Five kinds are prominent, the two researchers say, and help canny candidates to spot them. They now summarise the distinguishing marks.

One is the "paranoid" organisation run by a kernel of

executives convinced that everyone is out to get them. The symptoms include a jealous hoarding of power at the top, reinforced by superbly engineered systems of vigilance and control over subordinates.

A strength is that such executives are even more distrustful of outsiders than they are of employees and one another. They therefore work together well enough to see that their company swiftly detects and counters suspicious moves not just by competitors but by customers, governments, old ladies reputedly collecting for charity and so on.

Unfortunately they are too defensive to be enterprising. They occasionally diversify into unfamiliar products and markets but that is merely to stop their business from being concentrated on only a few activities and so liable to a mortal blow if any of the hordes who are out to get them succeeds.

"Compulsive" organisations are marked not only by detailed controls over staff but also by minutely specified planning because the managements are obsessed with ruling out any possibility of surprise. Employees, whose powers and status are determined by position in the hierarchy, are looked down on not as enemy agents but as reckless fools who must be prevented from taking unscheduled action.

Such organisations focus on doing what they have constantly proved they do well, which can be a great strength in a period of stability. But they are apt to be shattered by change in accustomed markets, technologies and suchlike, not least because their rigid structures leave no room for individual initiative.

Anathema

Change is even more anathema to the "depressive" outfit. Its rulers have surrendered their initiative to the system to the extent that they would think you dangerously ignorant if you suggested that they could, let alone should, do anything but maintain the efficient running of the machine according to precedent.

Since depressives need protective conditions to survive, what ingenuity they possess tends to be devoted largely to political defence of their preserves. Prime examples, but not the only ones, are provided by governmental bureaucracies.

Next come "schizoid" organisations whose top managements see the rest of the world as made up entirely of frustrating things, the worst of the lot being other people. To save themselves inevitable disappointment they shy away from commitment to any strategy and

stand aloof from the everyday running of affairs.

Into the gap step feverishly politicking second-tier managers, and what is decided at the top depends mostly on the particular interests of whichever faction happens to command the chief's ears at the time. Since the political ascendancy often swaps hands, the organisation is prone to abrupt changes if not reversals of direction so that only piecemeal developments occur.

Last of the five kinds — "dramatic" organisations typically ruled by an all-powerful chief, often entrepreneurial, who is not only decisive but always right. Having no choice but to agree, subordinates do not bother to keep much of a watch on what might seem to be going on in the world around the company, for their merely human eyes are most likely to mislead them.

Nor do they bother to pass upwards, or even discuss among themselves, any evidence which might tend to interrupt the supreme's free flow of flair. Their duties are to act on the decisions handed down — characterised by being usually bold and expansive and sometimes mutually contradictory — to lead the world's applause, and to hope resolutely for the best.

They are probably wise to do so because if ever the dramatic chief, sometimes known alternatively as a "charismatic lead-

er" reveals human frailty by dying or whatever, the organisation's dominant neurosis is most likely to change to the depressive variety almost overnight. Indeed the trouble with any of the five types of concentratedly neurotic organisations is that if their prevailing mania doesn't lead them to go bust entirely, they seem to have little chance of getting rid of it except by swapping it for another kind.

Trying to remedy them by superimposing rational techniques of management is evidently rarely successful. As the two researchers say: "Rational solutions work only with rational people," and they don't include neurotics. The book's recommended treatment is to call in representatives of what its authors clearly hope will be a growing profession of company psychiatrists. But those of us who, unlike Dr Kets de Vries are not practising psychoanalysts, might be chary of putting much faith in that remedy either.

So it seems that candidates do well to avoid investing at least their long-run career in any apparently uniformly demented concern, especially if its pet insanity coincides with their own. The best bet is organisations run by a well mixed bunch of managerial bananas which should be stimulating to work for if nothing else.

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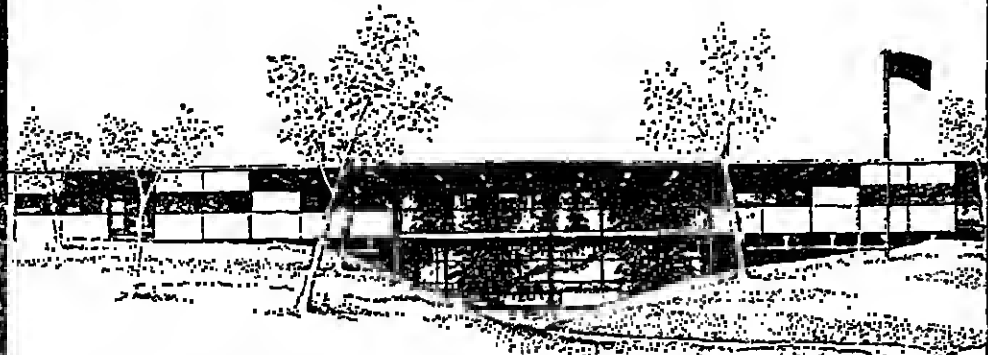
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Salary is for discussion and the benefits package will include relocation expenses, where appropriate, to a most attractive location on the edge of the Yorkshire dales.

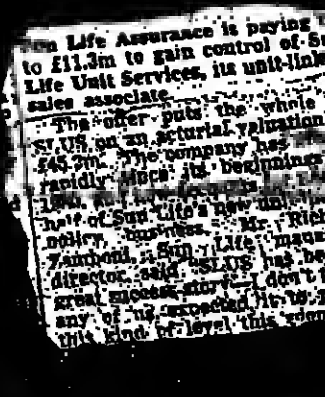
Please write—in confidence—will full details to A.L. Brown ref. B.62030.

This appointment is open to men and women
HAY-MSL Selection and Advertising Limited,
Oak House, Park Lane, Leeds LS3 1EL.
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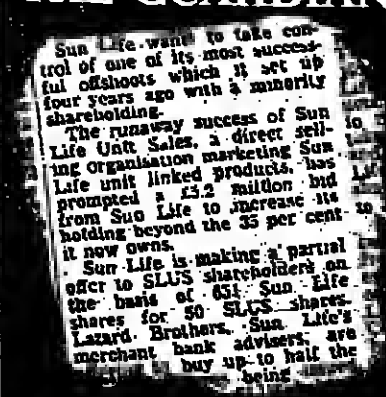
CHARTERED SECRETARY

FINANCIAL TIMES



23rd August 1984.

THE GUARDIAN



23rd August 1984.

"RUNAWAY SUCCESS"

The Guardian

23rd August 1984.



10-12 Ely Place, London EC1N 6TT.

This is simply one of the accolades Sun Life Unit Services, then an associate company of Sun Life, received from the UK press in August when it was announced that they were to be bought by the Sun Life Group. And the story continues.

For rather than resting on our laurels, we're actively searching now for the high calibre Consultants who will not only build on this success tomorrow but share in it too, at locations throughout the country.

You owe it to your career to hear more. Do so by writing or telephoning in strictest confidence to Shelley Thirfield, Sun Life Unit Services, 10-12 Ely Place, London EC1N 6TT. Tel: 01-242 2205.

Handwritten text in Arabic script, likely a signature or note.

Investment Manager Fixed Income Portfolios

A leading international merchant bank is expanding its multi-currency fixed income investment management and advisory activities. A further fund manager is required, with experience of international bonds, cash, and near-cash portfolios in a range of currencies and securities including gilt-edged. The client base covers corporations, government agencies and insurance companies.

A thorough understanding of modern international securities markets is ideally needed, as well as an up-to-date and innovative approach. Particular emphasis is placed on experience and capabilities in systematic, active multi-currency management. The successful candidate would also be expected to play an active part in formulating investment strategy, developing new business and client liaison.

Candidates should be used to working on their own initiative, and are likely to be graduates experienced in this field, and in the age range 27 to 35. Applications could also be considered from candidates with qualifications and experience in international economics and/or foreign exchange.

Competitive compensation will be offered, in line with the experience that the successful applicant brings to the position, and an attractive range of bank benefits.

Interested candidates should write, enclosing a comprehensive C.V., to **Martin Constable, Manager, Investment Division, Michael Page Partnership, 23 Southampton Place, London WC1A 2BP.** Strict confidentiality assured.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

CJA

RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

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+ substantial tax benefits

United Technologies is the fifth largest manufacturer in the United States with sales in excess of U.S.\$16 billion. Our companies are all market leaders in their various high technology fields. Recent rapid expansion particularly in Europe, has meant that 30% of sales relate to new acquisitions and European sales have increased to over U.S.\$2 billion.

This expansion linked to a firm policy of internal advancement led to 17 of our worldwide staff, including five based in Europe, being promoted to key positions in 1984. Already in 1985 further promotions are scheduled.

As a result, we are seeking other highly effective leaders for our European audit staff. Successful candidates must have a clear potential for advancement. Requirements include superior communications and analytical skills, motivation to excel and a minimum of four years' financial and/or industrial experience. A second European language would be a major asset. Significant European travel is necessary, with a return to home base at weekends; while this is normally Brussels, individuals could be based in other major European business centres if necessary.

Reply in confidence, including a telephone number, to:-

MR JOHN WILCOCKS, UNITED TECHNOLOGIES EUROPE
7 AVENUE LLOYD GEORGE, BOX 10, 1050 BRUSSELS, BELGIUM
Telephone: 02/440.23.20

Interviews will take place in either London or Brussels

Treasury Accountant

City

to £20,000

A leading supplier of real time information services to the financial and business community with a turnover in excess of £250 million, now seeks to recruit an additional high calibre accountant to develop information systems within the Treasury Department. Reporting to the Corporate Treasurer, responsibilities will include:

- ★ Production of multi-currency cash forecasts using main computers
- ★ Production of monthly interest forecast
- ★ Assessment of treasury activities on profits and balance sheet

Candidates, probably aged under 30 must be chartered accountants, ideally graduates, with a minimum of three years post qualification experience with some exposure to relevant treasury activities.

An attractive package and good career prospects are available for candidates with excellent communication skills.

Candidates should write to Andrew Sales, FCCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref. 206, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

COMPUTING IN THE CITY

Customer Support Executives

EXTEL COMPUTING LIMITED are market leaders in the provision of specialist financial services to major institutions. Due to the continued expansion of our Investment Accounting Service, we are currently recruiting for our customer support team.

Ideally, you will be aged 25 to 35 with a sound knowledge of the securities industry and an interest in accounts. You will be self-motivated and willing to accept responsibility. The ability to work under pressure and communicate with customers at all levels is essential.

Salary will be based on experience and in addition there are normal large company benefits, including five weeks' holiday. Please write in confidence with full career details to:

Mrs K M Griffiths
Personnel Manager
Extel Computing Ltd
Lowndes House, 179 City Road
London EC1Y 1AA
Telephone: 01-638 5544

Extel
GROUP

CAPITAL MARKET & TREASURY SERVICES LIMITED

(a subsidiary of the Mayflower Holdings Group)

require a young Broker with some Capital/Money Market experience to join an already well established team, broking in the Currency and Interest Rate Swap markets.

Please write or telephone in the strictest confidence to:

Miss Alison Morris
CAPITAL MARKET & TREASURY SERVICES LIMITED
65 London Wall, London EC2M 5TU
Tel: 01-628 4537

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COLUMN CENTIMETRE

Morgan Grenfell
& CO. LIMITED.

Head of Public Relations

This new post has been created to co-ordinate our external and internal communications and to develop further our relations with the business community. The appointment also carries responsibility for brochure and publications design, and is closely concerned with employee communications. You will work alongside senior management both in the UK and overseas.

Ideally you should be in your thirties with several years' experience of public relations at a senior level either in a major commercial organisation, financial institution or an established PR consultancy. Knowledge of industry as well as financial markets would be an advantage as would some international experience.

Remuneration for this senior position will be based on experience and benefits will include a preferential mortgage scheme, non-contributory pension and company car.

Please write in strictest confidence to John Cameron, as adviser to the company, at Chetwynd Streets Management Selection Limited, 10 Bolt Court, London EC4 (telephone 01-583 3911), quoting ref. CF352.

Investment Director Private Client Portfolios

Combine your proven ability in personal portfolio management with your enthusiasm for marketing and make a significant contribution to this successful and progressive fund management company.

As one of several investment directors responsible to the Managing Director you will have a highly visible role yet benefit from the security of being part of a larger financial services group.

You will have full responsibility for managing a portfolio of clients comprising private individuals, family trusts and small institutional funds. You will also play a key role in developing new business opportunities and promoting the company's services to potential customers.

Aged in your thirties you will have a sound background in investment gained in a fund management company or private client department of a stockbroker or merchant bank. Energetic and outgoing you have well developed communication skills and are looking for an opportunity which offers excellent prospects for career development.

Remuneration includes a negotiable salary c.£27,000, company car with free petrol, non-contributory pension scheme, free life assurance cover, BUPA and bonus based on performance.

To apply please write enclosing a cv or telephone Barbara Lord, Senior Consultant, Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6JH. Tel: 01-404 5701 (24 hours).

Cripps, Sears

SALOMON BROTHERS INTERNATIONAL LIMITED

Associate- Investment Banking France and Italy

Following the recent appointment of a Vice President to strengthen Salomon Brothers International's coverage of Europe, a decision has now been taken to recruit a first-class individual to fill the position of Associate, Investment Banking. Reporting directly to the Vice Presidents responsible for developing and executing business in the French and Italian speaking countries of Europe, the individual selected will be a member of a team that is involved in establishing a presence in these areas. Working closely with other members of the Corporate Finance Department and the Capital Markets Services Group, the person appointed will help market the full range of the company's investment banking products.

A suitable candidate is likely to be French with a fluent knowledge of Italian, an Italian with excellent French or of any other nationality with a fluency in both these languages. In addition to a degree from an excellent university, he/she is likely to possess an MBA qualification gained with a major US university and be aged in the mid to late twenties. He/she will have a well developed knowledge of investment banking products gained either with a reputable financial institution or in the treasury department of a corporation, governmental or supra-national institution.

This is a significant career opportunity in which a suitable individual will be attracted by Salomon Brothers' reputation and the opportunity to progress rapidly in a growing organisation. An attractive salary is offered, accompanied by bonus potential.

Please reply with full curriculum details to:

St James's Corporate Consulting,
Box 77/890, St James's House,
4/7 Red Lion Court, Fleet Street, London EC4A 3EB.



CANADIAN IMPERIAL
BANK OF COMMERCE

The longest established Canadian Bank in London is expanding its Treasury Operations and is seeking to fill the following two positions in our London Dealing Room.

CORPORATE TREASURY SERVICES OFFICER

The ideal candidate we are seeking, is currently employed servicing a client base in all aspects of the Financial Markets. He/she will have a good knowledge of the Financial Markets, and is able to communicate in a concise and informed manner. A working knowledge of a second language and previous trading experience in Foreign Exchange and Money Markets would be distinct advantages.

SPOT AND FORWARD DEALER

The person we are seeking to fill this position should have 3/4 years' experience trading the major currencies in the Spot and Forward markets. Additionally, experience of a second language, would be beneficial.

A competitive salary will be offered for both positions together with an excellent employee benefits programme which includes low-interest mortgage, non-contributory life assurance and pension schemes.

All applications will be treated in confidence

Write giving details of age, education and business experience to:

Mr. D. L. Lang, Vice-President, Treasury Operations,
CANADIAN IMPERIAL BANK OF COMMERCE
55 Bishopsgate, London, EC2N 3NN.

Senior Trust Officer

Eagle Star Trust Company Limited, an English Trust Corporation, is a wholly owned subsidiary of Eagle Star Holdings.

Applications are invited for the position of Senior Trust Officer in the City of London reporting to the Manager. Appropriate academic and/or professional qualifications together with experience and a detailed knowledge of all aspects of trust administration including a knowledge of small Self-Administered Pension Schemes and their tax effectiveness, are essential. It is expected that the successful candidate will currently hold a responsible position in the Trust Department of a major insurance company or bank. Salary will be within the range £17,250 to £19,500 per annum (inclusive of London Weighting) according to experience. In addition, an attractive benefits package is offered and this includes a non-contributory pension scheme and a preferential mortgage scheme. Please send a comprehensive Curriculum Vitae to:

Staffing Manager,
Eagle Star Insurance Company Limited,
Eagle Star House, Bath Road, Cheltenham,
Glos. GL53 7LQ.

Eagle Star



Major Account Corporate Lending Officers

neg £15,000 - 20,000

Our Client, a major International Bank with an impressive range of 'top 200' company clients seeks high calibre graduate bankers aged 25-27 years with several years' corporate lending/marketing experience.

Good interpersonal skills are essential together with proven ability in business development, as the successful candidate will be expected to expand the Bank's corporate lending activity.

Although essentially U.K. based, the position will afford exceptional opportunities for career advancement, including international marketing. Good potential in this regard will therefore be looked for.

Please contact: Peter Haynes.

Investment Fund Managers

Several of our Merchant Banking clients wish to expand and strengthen their Investment Departments in the Management of both Private Clients and Pension Funds. Candidates, aged between 25/35 years, will be graduates with several years' experience of Fund Management with a Merchant Bank, Stockbroker or Financial Institution.

Highly competitive remuneration packages will be offered together with the usual banking benefits.

Please contact: Peter Latham.

Jonathan Wren

All applications will be treated in confidence.

Jonathan Wren & Co. Ltd., Recruitment Consultants,
170 Bishopsgate, EC2M 4LX. Telephone: 01-623 1266.

Economist

A leading American bank with a well-established presence in London, seeks an Economist to work in its Treasury Operation. Key requirements are a high degree of competence in economics and the ability and enthusiasm to work in a money market environment.

The brief includes analysis of the German and Japanese economies and bond markets, and assisting with the marketing of foreign exchange facilities for corporate clients. There will also be scope for the successful candidate to develop any pertinent interests, for example, in the mathematics of options, futures, etc, or in covering "minor" currencies, or in other relevant areas.

The likely age range is 25-29, but candidates outside this range will be considered. Younger applicants may need very good academic qualifications; older applicants must have appropriate experience.

An attractive salary will be offered, in line with experience and will be augmented by highly competitive banking benefits.

Applicants should write, enclosing a CV, to Nick Waterworth at Banking & Finance Division, 23 Southampton Place, London, WC1A 2BP. Ref: 3457. You should indicate any banks to which you would not wish your details to be forwarded.



Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

North American Markets Senior Fund Manager c£30,000 plus benefits

Our client, a leading investment house with very substantial funds under management internationally, seeks an experienced individual to join their highly successful team.

Probably aged between 30 and 35, candidates should have a sound track record in investment management, with five years' experience of North American markets. Good communicative skills are essential.

Reporting to the Investment Director, the successful individual will take overall responsibility for the management of North American securities, in a variety of funds, and will head a small team of specialists. The position also involves presenting the House North American view internally and, on occasion, at seminars and external meetings.

It is envisaged that this position will appeal to an individual of high calibre who will be expected to contribute to overall strategy and the remunerative package will reflect this.

Interested candidates should contact Stephen Embleton, Investment Division, 23 Southampton Place, London, WC1A 2BP (01-404 5751). Strictest confidence is assured.



Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

STRATEGY & MARKETING

Broaden Your Expertise By Moving Into Consultancy

If you have an impressive industrial or commercial track record, gained preferably within the strategic, marketing or financial disciplines, then your most important career move now could be into consultancy.

Kearney is a US-based management consultancy with 19 offices worldwide. The UK office plays a key role in our European and world assignments, one which is founded on a strong domestic practice. We are currently enjoying a period of substantial growth and are looking to expand our young, dynamic management team with outstanding individuals.

Noted for our strong results orientation, we produce the highest quality work, utilising multi-disciplined teams geared to improving our clients growth and profits by:

Change through implementation rather than report writing

If you are aged 26-35, have a good degree, and can convince us that you have the necessary outstanding business and personal qualities, we will offer you a great deal of hard work and mental stimulation which will be amply compensated for in terms of rapid career development and a first rate financial package.

To find out more, write in confidence to:
David A. Harland, Director,
Kearney Management Consultants,
134 Piccadilly, London W1V 9FJ.

Kearney: Management Consultants
MEMBER OF THE MANAGEMENT CONSULTANTS ASSOCIATION

EMPLOYMENT DEPARTMENT DIRECTOR OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

£17982-£19650 (under review)

A challenging opportunity to take up a key Chief Officer appointment in the fourth-largest City in the U.K. In 1981, the City Council set up an Employment, Committee and Department to develop a planned economic strategy in response to rapid changes in the employment structure of the City. Its aim is to co-ordinate everything the City Council, working with others in the City, can do to defend and develop existing industries and jobs, to stimulate new industries, new technologies and new products, and to strengthen training facilities and support for the unemployed.

The Director of Employment and Economic Development serves as a member of the Chief Officers' Management Team and (under the Chief Executive's leadership) co-ordinates the work of all City Council Departments in the implementation of the above strategy.

The Director is directly responsible for managing and developing the work of the Employment Department, with a staff of over 60 and its own revenue and capital resources.

The City Council now wants to recruit someone with the skills and commitment to consolidate and manage the work, now well-established and to help the Local Authority develop and implement a planned economic and employment strategy to tackle the problems facing the City over the next decade.

**FURTHER PARTICULARS AND APPLICATION
FORMS AVAILABLE FROM THE CHIEF
PERSONNEL OFFICER, TOWN HALL,
SHEFFIELD, S1 2HH,
TEL: 6742-734079.**

CLOSING DATE 6TH FEBRUARY 1985.

City of Sheffield

An Equal Opportunity Employer



Business Planner

Smiths Industries is a leading UK manufacturing company in the engineering, electronics and medical fields and is seeking a senior business planner to co-ordinate market and technical research findings to assist the Company in its strategic planning acquisitions and divestments and to take an active part in the implementation of these functions.

The successful candidate is likely to be in his/her early thirties and a physicist or mathematician by training, with an excellent record both academically and in his/her business career. Numeracy and knowledge of finance are essential, and there should be a track record of interests in disciplines other than those stemming from original university education.

Salary will be negotiable and a car will be provided. Location North West London. If you are interested in this excellent career development opportunity, please write and send CV to Mr. E. G. Jones, Director of Personnel, Smiths Industries plc, 765 Finchley Road, London NW11 8DS.



SMITHS INDUSTRIES
PUBLIC LIMITED COMPANY



**Mirror Group
Newspapers**

Pension Fund Manager

Mirror Group Newspapers, proprietors of the Daily Mirror, Sunday Mirror, Sunday People, Sporting Life, Scottish Daily Record and Sunday Mail seek a Pension Fund Manager who will be based at their Holborn Circus headquarters.

This is a new appointment for a fund which started in April 1984 with assets of £200m plus. There are over 6,000 contributors and 3,500 pensioners. The Manager will be responsible for all aspects of the management and administration of the fund, including the full computerisation of office records and systems. The Manager will liaise with the Group Pensions Executive to ensure coordination of all aspects of pension policy in the various Associate Companies.

The successful applicant will be technically competent and have had considerable previous experience in pension administration and currently be either deputy manager of a large fund or manager of a smaller fund. An attractive salary and benefits package including a company car apply to this position. The actual salary level is negotiable dependant on qualifications, experience and potential. All applications will be treated in strict confidence and should be sent with a detailed CV enclosed in a sealed envelope marked 'Private and Confidential' and addressed to:-

Mr Alan Stephens, Company Secretary, Mirror Group Newspapers Ltd, Holborn Circus, London EC1P 1DQ.

Commodities

Deputy Managing Director

With practical trading and management experience to assume the day to day operational responsibility for an expanding major International Futures Organisation with active floor membership and an established A/E and client liaison team.

Senior Client Liaison Executive

To operate at International Board Room level for a highly respected and successful LME Ring Dealing Member.

The remuneration packages for these appointments are very flexible, reflecting our Client's interest in being able to attract the best available candidates.

Jonathan Wren

Please contact: Michael Hutchings
Jonathan Wren & Co. Ltd., 170 Bishopsgate,
London EC2M 4LX. 623-1266

COMMODITIES DIVISION



Schroders

Schroder Asia Securities

Hong Kong Sales Executive

Schroder Asia Securities is a fast growing international brokerage house with offices in London, Hong Kong and Tokyo.

We are looking for a senior institutional sales executive with specialist knowledge of the Hong Kong and Singapore markets, to expand our coverage of UK and European institutional investors.

The appointment is to the London office and involves close liaison with our growing research department in Hong Kong. There will also be opportunities for travel. The remuneration package to be negotiated will be fully competitive.

Please apply in confidence to S. N. Rodd, Schroder Asia Securities (UK) Ltd, 9 Devonshire Square, London EC2M 4YL. Telephone: 01-623 3322.

Treasury Management

Central London

c£17,000

This American owned, internationally operating construction Group has a policy of steady diversification into new product, service and business areas which creates corporate growth and scope for personal development.

At present the Group's UK Headquarters monitors a diversity of projects for customers within Europe, the Middle East and Africa to a total value above £700M.

Reporting to the Finance Director,

the successful candidate, ideally aged 30-40, will play a key role in further developing the treasury function especially within the areas of Foreign Exchange, Cash Forecasting and, at a later date, Investment activities.

Sound experience within the Treasury department of a company involved in multi-currency transactions and the ability to adapt to changing situations are essential.

To apply please telephone quoting Ref: FT 8955

**Lloyd Chapman
Associates**

**International
Search and Selection**
160 New Bond Street, London W1V 0HR
Telephone: 01-408 1670

BISGOOD, BISHOP & CO LIMITED

We require senior stock exchange member dealers, remuneration will be commensurate with dealing experience.

Please apply in writing, enclosing curriculum vitae, to:-

L. O. S. Medlam,
Cophall House,
48, Cophall Avenue,
London EC2R 7DN

All replies will be treated in the strictest confidence.

Corporate Finance Merchant Bank

Part of a major City Group, this small established bank seeks to further strengthen its domestic Corporate Finance team.

The position reports to the Director in Charge and will enjoy substantial freedom for personal initiative in helping to build and develop the bank's Corporate Advisory Services.

The ideal candidate will be aged late 20's/early 30's, have a degree and/or professional qualification, and in addition must have a minimum of two years experience in the domestic Corporate Finance Department of a merchant bank, or possibly in the Commercial Department of a major firm of City solicitors.

Compensation, including normal banking benefits, is commensurate with the importance of the position.

Please write with full details and in strictest confidence to John Kerinard, ABGH Advertising and Recruitment Services Limited, 87 Jermyn Street, London SW1Y 6JD.

**ABGH Executive
Recruitment**

Senior Lending Officer Take Full Credit for Expansion

You are an experienced account officer looking for the opportunity to join a small team where your full potential will be realised and rewarded with early promotion, better prospects and increased responsibility. Based in the City this significant European banking group is poised to extend and develop its UK corporate exposure thereby broadening its client base and full range of banking services.

Aged 28-35 and preferably a graduate, you are entrepreneurial, commercially minded and have at least two years' front line calling experience ideally to UK corporates. Your credit analysis experience coupled with your broad knowledge of all loan related proposals and documentation will provide

you with the sound background necessary to project your progressive career through the organisation. You will have full responsibility for managing existing and developing new client relationships. You will also have the opportunity to take an independent approach thereby giving full vent to your ideas for new product development whilst enjoying a team atmosphere. Salary is negotiable, commensurate with your experience, plus excellent banking benefits.

Please apply in complete confidence, with your cv to Carmina Leon of Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701 (24 hours).

Cripps, Sears

CONSULTANTS FOR ZAMBIA

Two qualified accountants with at least 5 years' experience are required to design and implement complete accounting and management information systems for one of Zambia's largest co-operative unions located in Northern Province.

An attractive two-year contract, with possible assistance to externalise local savings, will be offered.

Applications with detailed cv should be sent to:
The General Manager
ZCF ACCOUNTING
SERVICES LTD.
PO Box 50794, Lusaka, Zambia
Telephone: 213414
Telex: ZA40670

Systems & Procedures Coordinator

Financial & Administrative Systems Management

ABERDEEN

If you are a qualified accountant, preferably chartered, with a strong systems background, gained in a large organisation, this demanding role will interest you.

Conoco's Northern Operations division is responsible for operating the Murchison and Hutton oilfields and for managing all other Conoco offshore activities in the Northern North Sea Area. These activities represent a considerable ongoing investment and a comprehensive series of financial and administrative controls is required to ensure the proper management of this expenditure.

This position carries responsibility for conducting management consultancy type financial investigations to ensure that operating efficiency is maximised in the light of changing requirements.

You would also be responsible for reviewing Financial Services computer systems needs including micro-computer applications and rationalising administrative procedures in accordance with corporate requirements and joint operating agreements. Additionally you would coordinate the feasibility, planning, development, user training, documentation and operational implementation of all financial and administrative computer systems on an HP 3000.

In addition to an accountancy qualification and financial management systems experience, excellent verbal and written communication skills are required, as is the ability to deal confidently with people at senior levels.

Career progression within Conoco could be in Aberdeen, other Conoco UK locations or overseas, so a degree of mobility is considered essential.

Conoco provide an excellent salary and rewards package including a non-contributory pension scheme, share ownership scheme, accident insurance, staff restaurant and, in appropriate cases, an extremely generous relocation package.

If you are interested in this position, please telephone or write for an application form, to: Fraser Crerar, Assistant Personnel Officer, Conoco (UK) Limited, Rubislaw House, Anderson Drive, Aberdeen AB24 4AZ. Telephone Aberdeen (0224) 574631 Extension 5195.



COMPUTER AUDIT MANAGERS £17,000-£25,000 + Car London/UK/Overseas	A major firm of Chartered Accountants seeks computer auditors aged 25-32 with large firm experience. To service a wide variety of work in the fields of both audit support and client advisory services. Candidates with strong technical and managerial ability are likely to attain partnership within the short to medium term. Ref: DES
HIGH FLYER £23,000 + Car City	A short term role in audit management with this major European bank will prepare the successful applicant for a move into a pure banking position. Applicants should be graduate ACAs with relevant sector exposure and a willingness to travel. Genuine commitment will be rewarded by an excellent benefits package and rapid progression. Ref: KRUL
INVESTMENT BANKING To £17,000 City	An unparalleled opportunity for a young ACA to enter the financial sector in a non-routine accounting position. Varied responsibilities will include profitability monitoring and the development of fully integrated reporting systems. Applicants should have excellent interpersonal skills and an awareness of modern EDP techniques. The appointment carries a generous performance related bonus. Ref: M.H.
YOUNG ACAs c £16,000 + Benefits City	A respected City force seek "Top 20" trained accountants who can contribute immediately. The roles offer excellent opportunities to use highly advanced technology in the operation and development of rapid information reporting systems. Personal qualities must include self-motivation, persuasiveness, and well developed oral and written skills to capitalise on future career openings. Ref: RSL
ASSISTANT TO F.D. c £15,000 Midlands	As Assistant to the European Financial Director of this multinational group you will be given every encouragement to prove your general management potential. The role is "high profile" and best suited to a self-motivated, qualified accountant aged 25-30. Regular European travel is envisaged and some familiarity with US reporting would be advantageous. Ref: M.H.
FINANCIAL ANALYST c £15,000 C. London	This influential reporting role is with a fast moving leader in the energy sector. The appointment offers non-routine involvement and excellent scope for rapid career development. Candidates should be recently qualified, enjoy working in an extrovert atmosphere, be able to meet tight deadlines and have excellent communication skills. Ref: KRUL

HUDSON SHRIBMAN
The complete financial selection service
College Hill Chambers, 23 College Hill, London EC4R 2RT. Tel: 01 248 7851/8 (24 hours)

Tate & Lyle PLC Group Internal Audit Manager

Bromley, Kent
c. £20,000 plus car

A Chartered Accountant is required to manage the Group's Internal Audit Function. As the leader of a small professional team responsible for financial, computer and operational audit within the UK, the job holder is primarily concerned with ensuring the effectiveness and efficiency of control systems and making recommendations for improvements where necessary.

Candidates, in their early thirties, must have sound audit management experience and, where this has been gained in a professional firm, additional commercial/industrial experience is required. A knowledge of computer systems is desirable.

Proven man management and communication skills and the ability to build up sound working relationships, particularly at senior levels, are of key importance.

Other benefits include non-contributory pension and private medical insurance schemes.

Candidates should send a detailed career history to Jo Heigho, Consultant - Personnel Services, at Tate & Lyle PLC, Sugar Quay, Lower Thames Street, London EC3R 6DQ.



Tate & Lyle

FINANCIAL EXECUTIVES

As the UK's leading consultancy in the field of current receivables management, we are looking for appropriately experienced staff to join our expanding business. Opportunities are available at all levels within the organisation, but standards are of the highest order.

Consultancy assignments are conducted throughout the UK and an element of travel, including staying away from home, is required.

Preferred age is 20 to 35 years. Salaries are negotiable but will not be a barrier to promising applicants.

Applicants who believe they have the required standard of ability should reply enclosing a personal history to Michael D. Bird, Resource Evaluation Limited, 35 Berkeley Square, London W1X 5DA. Telephone: 01-409 3075.



B&W

LOUDSPEAKERS

COMPANY SECRETARY/ ADMINISTRATION MANAGER

B&W Loudspeakers are a progressive company which has shown continual expansion since its inception twenty years ago, with a current turnover of some £5 million.

The successful applicant should have at least five years experience in a similar post, be totally conversant with modern office methods and management, and be a member of the Institute of Chartered Secretaries or hold similar qualifications.

Salary is negotiable, depending on age and experience, in the region of £15,000 p.a. plus Company car, free BUPA membership and other normal fringe benefits.

Apply initially in writing, in complete confidence, to the Managing Director.

B&W Loudspeakers Ltd
Meadow Road Worthing BN11 2RX

Senior Marketing Associate Risk Advisory Service

Occidental, a leading multinational with a record of innovative enterprise, is establishing in London, a Risk Management and Insurance Consultancy, using the substantial corporate resources of knowledge and experience gained worldwide in this field.

An intellectually keen and well motivated individual is sought to take responsibility for marketing and business development. Initially, there will be much travel to identify opportunities and to explore the market.

A permanent appointment within Occidental is envisaged in due course, but the post will at first be temporary, to be remunerated by an ample monthly fee supplemented by commission.

Applicants will be required to show expertise in marketing and selling of services to businesses as well as an ability to comprehend and demonstrate the significance of effective risk management on profit.

The post might well be attractive to business school graduates with a bias towards marketing/finance.

Please apply, with C.V. to: Mr C. Stalives, Managing Director,

Occidental Risk Advisers Company Limited,

16 Palace Street, London SW1E 5BQ.



CITY BANKING OPPORTUNITY

The Central Credit Division of a major international bank requires officers for its City-based operation. The sort of person we are looking for will be:

- Of good character, self-disciplined and between the ages of 30 and 40;
- A good communicator with the ability to get along well with others at all levels in the organisation, both in the UK and overseas;
- Energetic, analytical and have a thoroughly disciplined approach to work, recognising the need at all times for setting priorities and meeting deadlines in a busy growth environment;
- Well educated; and
- Have at least five years' banking experience, preferably in a variety of disciplines and preferably overseas or in an overseas banking environment.

Although a sound working knowledge of the credit function and, in particular, of trade-related finance will be an advantage, we are not looking for credit analysts or specialists of any sort. We are looking for Bankers. Common and business sense will therefore be primarily important attributes.

If you think you could fit the profile described above, and have UK residential status and/or British nationality, please write in absolute confidence enclosing curriculum vitae with full details of your current and previous positions and salary expectations.

Salaries and other terms of service may vary according to age and experience but will always be thoroughly competitive and should not be a barrier to the right candidates who, if selected, will have every opportunity for career progression and advancement.

Write Box A8875, Financial Times
10 Cannon Street, London EC4R 4BY

Legacy Officer Charity

Help the Aged, the major charity working for the elderly in need in the UK and overseas is seeking an able and experienced manager. The task is threefold. Firstly, you will be responsible for administering our legacy income, handling enquiries from legators and executors, checking and recording monies received, processing tax claims. In addition, you will manage our agents to Travel and Foundations appropriate to the charity's own objectives. Thirdly, you will manage a nationwide team of volunteers—generally retired business and professional people promoting the charity to a wide variety of professional financial advisers throughout the UK.

Based at our Central London head office, the position requires a mature methodical administrator with developed social and communications skills. A background in management, preferably in the professions would be advantageous. In addition, knowledge of the legal and tax implications of legacy would be useful.

Salary £9,521 inclusive of London allowance.

Please write in sufficient detail to make an application form unnecessary to:

Colin Mitchell, Personnel Manager,

Help the Aged, St James's Walk,

London EC1R 0SE

Closing date for applications is 30 January 1985



EXPORT CREDIT CLEARING HOUSE INTERNATIONAL TRADE FINANCE

We need immediately two senior managers to assist in the negotiation and structuring of export finance facilities with a wide diversity of financing institutions, predominantly banks, in the City of London on behalf of leading British and multi-national corporate clients.

Knowledge of export and trade finance together with experience in international banking is essential. Remuneration is by way of salary and performance-related bonus. A car will be provided. It is expected the successful applicants will have the necessary stature to grow with the Company as it develops.

Please send full details to: A. E. J. Killick, Managing Director, The Export Credit Clearing House Limited, 4 Deans Court, London EC4.



CHIEF EXECUTIVE/GENERAL MANAGER

Nine years ago I took control of a company with a negative balance sheet and a turnover of £120,000. Today my gross turnover exceeds £1m and the net asset value approaching £250,000. To me problems are solutions to business and I will consider all serious proposals from British and foreign sources.

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10, Cannon Street, London EC4R 4BY.

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Williams de Broë Hill Chaplin & Company

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The successful applicant is likely to have at least one year's relevant post graduate experience, be numerate, energetic and have fluency in a foreign language.

Applicants should send a detailed C.V. in confidence to Ivan Cliff, Williams de Broë Hill Chaplin & Company, Pinners Hall, Austin Friars, London, EC2P 2HS.

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We are seeking to expand our coverage of the electronics and computer sectors of the UK market by recruiting experienced analysts specialising in these sectors. The ideal candidate will be a graduate or accountant aged between 25 and 35, with a minimum two years' relevant experience, either with a stockbroker or investment institution, or with an appropriate industrial background.

While the emphasis will initially be placed on the UK quoted companies, there will be opportunities to develop an international perspective.

The remuneration package to be negotiated will be fully competitive.

Please apply in confidence to Ian Brown,

Helbert Wagg & Co.,

Anderson Bryce Villiers Ltd,

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Telephone 01-623 4500.



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Our client is a large international group with its core businesses in the Middle East although it operates throughout the world. Its activities span many fields including distribution, manufacture, transport and property.

The Chief Executive of its international operations is now seeking a high-calibre Executive Assistant who will be based in London and who will assist him in all aspects of running a number of diverse interests. He or she will mainly act as a Project Director in a trouble-shooting role and a significant amount of overseas travel will therefore be involved. Successful

performance in this role could lead to a senior line-management position in a few years. Candidates, ideally in their thirties, must be fluent in Arabic and also have good English. Western educated, they must have experience of working in a multinational environment, preferably with a wide range of disciplines. A business degree would be a definite advantage. Starting salary will be in the range of \$50,000 - \$60,000 plus good fringe benefits.

Please send a full cv, in confidence, to A M Dickson, Ref: GM41/9103/FT.

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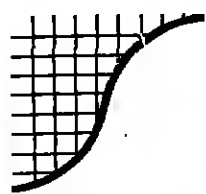
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To apply, write with career details to:
Hilary Vennear, Personnel Officer,
Albany Life Assurance Co Ltd
Station House, 3 Darnley Lane, Potters Bar,
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The requirement is for a numerical graduate, probably in his or her late twenties. Post-graduate employment must have included direct experience of institutional investment gained with a firm of actuaries, stockbroker, investment management organisation or a pension fund. Membership of the Stock Exchange and/or the Society of Investment Analysts would be a distinct advantage.

This is a rare opportunity to make a significant contribution to the development of a young company. The remuneration package, including relocation to Leeds if necessary, is fully negotiable and is unlikely to be an inhibiting factor for the right candidate.

Please write with a full C.V. to Peter Roney, Chief Executive, CAPS Ltd., 11 Albion Street, Leeds LS1 5ES, or ring 0532 460416 for an informal discussion.

INTERNATIONAL BANKERS £18,000

Ambitious graduate Bankers are required for this leading Merchant Bank. The ideal candidates will have two years' marketing experience from an international Bank and wish to develop their career on international swaps, money-market operations and syndicated loans. Age mid-20s, second language helpful.

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Expanding Merchant Bank requires an ambitious graduate who has at least 18 months' experience of corporate credit and economic analysis. Working on international portfolios you will be expected to research and assess new business and market to multi-national clients.

INVESTMENT MARKETING £13,000

Rapidly-expanding investment management group urgently requires a self-motivated, articulate broker/broker with an all-round knowledge of securities/investment to act as liaison between fund managers and clients. Involved in the marketing of new funds you will also assist with daily administration. "A" Level education and typing an advantage. Age 22/28.

For further details of these and our other current vacancies, please ring:

Mike Blundell Jones on 01-236 1113 (24 hours)

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CD's - FRN's - Euronotes

Merrill Lynch, one of the leading and most dynamic financial institutions, is expanding its Capital Markets Division and has a number of key positions for experienced professionals to complement the existing sales and trading team within its money markets operation.

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The opportunities are for two people in sales/trading of multicurrency CD's, Euronotes and FRN's. We are also looking for someone to trade exclusively in FRN's.

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Please write with full career details to date to Keith A Robinson, Recruitment Manager, Merrill Lynch Europe Ltd., 27/28 Finsbury Square, London EC2A 1AQ.



Merrill Lynch

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+ bonus + benefits

Our client, a major international securities house is currently expanding its long established Japanese equity sales team, and seeks two additional sales executives.

Applicants must have at least 2 years experience in Institutional Sales and be able to demonstrate an ability to develop new business. Although preference will be given to candidates with experience in the Japanese market, applications will be welcome from those with a proven record of success in other equity markets.

The highly negotiable salary package will reflect ability and experience.

Interested candidates should write, enclosing a full curriculum vitae, to Martin Constable, Manager, Investment Division, Michael Page Partnership, 23 Southampton Place, London WC1A 2BP. Strict confidentiality assured.



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We are an internationally recognised trading organisation requiring two dealers to complement our active and successful London Dealing Team.

Both candidates should be aged between 25-30 years with two to three years' relevant dealing experience.

Ideally the Foreign Exchange Dealer will have gained his experience on an active desk with a major Bank or similar, while the Money Market Dealer should have experience in all aspects of U.S. dollar and sterling-related markets, including financial futures.

Applications, which must include a full curriculum vitae, should be addressed under "Private and Confidential" cover to:

The Personnel Manager

Box A8878, Financial Times,

10 Cannon Street, London EC4P 4BY

BADENOCH & CLARK

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To £18,000 + Benefits

Our client, a major International Bank with an expanding Corporate Banking Department in London, is looking for a young banker with a strong credit training to augment its analysis team. Interested applicants will have at least two years' experience, gained in a recognised commercial banking environment, which they will be ambitious to utilise in this dynamic organisation. This position offers exciting prospects and an attractive remuneration package.

ELECTRICALS/OILS ANALYST

c. £15,000 + Bonus

One of the leading firms of stockbrokers is seeking to extend its research capacity. Our client has an excellent reputation for servicing its institutional clients and has scope to take on an additional young high-calibre analyst, specialising in either oil or electricals. This position would be suitable for bright graduates with 18 months' experience in a large broking environment. The successful applicant will be working closely with the institutional sales team and thus requires commercial awareness and good communication skills.

To arrange an informal discussion of these positions please contact Christopher Lawless B.A. or Stuart Clifford B.A.

Financial Recruitment Specialists
16-18 New Bridge St. London EC4V 6AU
Telephone 01-583 0073

ECONOMIST

The Woolwich is one of the UK's largest building societies, with assets of more than £6 billion, and a network of over 390 branches. As a result of internal promotion, we are seeking an Economist, to work within our Planning Division based at the Society's Chief Office in Woolwich.

In addition to the economic analysis and assessment which forms a fundamental part of the Society's operational and strategic planning, the successful applicant will be involved within the wider work of the Division, embracing forecasting, research, and the assessment of new markets.

Essential requirements are a good first degree in economics, together with at least three years business experience, preferably within the financial sector (or closely related to it), but candidates will, in any event, need to demonstrate a thorough understanding of the primary economic influences within the financial sector, particularly in the light of the major structural changes occurring within the financial services industry.

The post carries an excellent total remuneration package worth around £15,000 p.a. which includes concessional mortgage facilities and free BUPA cover.

Applications giving full details of career history to date should be sent to: M. A. Plummer, Personnel Manager, Woolwich Equitable Building Society, Equitable House, Woolwich, London SE18 6AB.



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Write, enclosing curriculum vitae, to:

Les Halpin, Financial Manager

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Candidates, aged 25-30, should have a degree (or equivalent) supported by a professional qualification or 2-3 years' working experience in corporate finance with a financial institution.

In addition to a competitive salary we offer a range of fringe benefits including a bonus scheme. Please write in complete confidence with a full cv. to:

Box No. A8871

The Financial Times, 10 Cannon Street, London EC4P 4BY

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International Group with Brussels HQ seeks commercially minded Treasurer with a proven track record in an international environment. Varied work provides unusual job satisfaction plus excellent terms. An immediate start is envisaged. Age 35-45.

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Box A8880, Financial Times

10 Cannon Street, London EC4P 4BY

giving the names of any firms to whom applications are not to be forwarded.

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01-236 0642

GUIDE TO RECRUITMENT CONSULTANTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations. We will be including in this feature "The Newly Qualified" Guide to Recruitment Consultants. Entries in the guide will be charged at £5 which will include company name, address and telephone number. Extra lines will be charged at £11 per line.

For further details please telephone:

Mike Hills

on 01-248 4864

or

Robert Winter

on 01-236 9763

European Controller-Finance Publishing

Central London

c.£25,000 + Car

Our client, a subsidiary of a major U.S. publishing and communications group is seeking a Controller - Finance for its European Head Office.

A chartered accountant, aged 30-35, with sound commercial experience gained within a service industry is sought for this appointment. Previous exposure to U.S. accounting principles and reporting requirements, together with a knowledge of micro computer applications is essential.

Specific responsibilities will include strategic planning, investment analysis of new and existing products, co-ordination of foreign exchange rates and forecasting. However, this is more than an "accountancy" appointment. The role will appeal to a self-starter able to make a positive and immediate contribution to the professionalism and strength of the

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The environment is demanding and stimulating and the Controller will be involved in extensive interdisciplinary and international liaison. This is a 'high profile' position and considerable local and corporate promotion opportunities will exist for the successful candidate.

Please write in confidence, enclosing career details and quoting reference T3050, to Valerie Fairbank, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

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Aged 30-40, applicants (male or female) should be qualified accountants with proven line management experience, analytical ability and commercial flair. Please write, enclosing a career/salary history and day-time telephone number to David Hogg FCA, quoting reference 1/2270.

EMA Management Personnel Ltd.
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Please send a cv, including current salary, or telephone or write for an application form to Stephen Newman, Ref: S575/0558/FT.

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Please reply in confidence, enclosing precise career and personal details and quoting reference number ER748, to Martin Lawless, Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 3NH.

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Qualified Accountant

Birmingham c.£15,000 + Banking Benefits

Our client, the Overseas Division of Lloyds Bank Plc, is seeking to recruit a qualified accountant for its financial control section in Birmingham, following an internal promotion.

- * It is a varied and challenging position, which carries specific responsibility for:
- * the preparation of quarterly and half yearly financial accounts
- * the operation and continued development of a complex computerised account costing system.
- * the supervision and analysis of transaction costings and management accounts
- * the monitoring of Divisional costs
- * various ad-hoc assignments and special projects.

The requirement is for a qualified accountant (ACA, ACCA or ACMA), aged late 20's to mid 30's. Candidates should have received formal training and good 'all round' accounting experience with a large professional firm, industrial company or similar commercial organisation and must have gained experience of either preparing complex financial accounts or of running a major costing system. Well developed managerial and inter-personal skills are of considerable importance and experience of utilising computerised systems would be useful. This is an excellent opportunity for an enthusiastic and career minded individual to develop his/her experience with a progressive, international bank.

A competitive salary and very generous package of fringe benefits will be offered to the successful applicant.

Candidates, male or female, should write enclosing full career details and quoting reference MCS 8508 to Jerry Wright, Executive Selection Division, Price Waterhouse Associates, 169 Edmund Street, Birmingham B3 2JB. (Telephone 021-236 5021).

Lloyds Bank

Price Waterhouse
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Financial Manager

c.£15,000

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The benefit package includes pension scheme with life assurance, 22 days annual holiday, family BUPA membership and use of a Company car. Please write giving full career details to: Miss P. E. New, Personnel Manager, Expandite Limited, 1/9 Chase Road, Park Royal, London N.W.10

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High Technology

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Location: Cambridgeshire

Our client is one of the world's most sophisticated producers of sheet metal using computerised design (CAD) and computer-aided manufacture (CAM).

The position of Financial Controller, who will report to the Commercial Director, is an unusually interesting one as the Company's intention is to move rapidly towards acceptance on the Unlisted Securities Market. There is a small and dynamic management team in which the person appointed will play a significant role.

Candidates aged about 25 years should have already demonstrated

progressive achievement in their careers. They will be Chartered Accountants, probably articulated with one of the 'Big Eight' and they will have both financial and management accounting experience with some emphasis on costing systems.

The appointment has exceptional career prospects with the possibility of a Board appointment in the medium term.

Please write in confidence to George Henderson, Grosvenor Stewart Limited, 62 Pall Mall, London SW1Y 6HZ. Telephone 01-930 7966. (24 hour answering service).

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INTERNATIONAL RECRUITMENT CONSULTANTS London Hitchin Brussels

THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

Tim Bell: a high flying enigma

Feona McEwan on a controversial move in UK advertising

SO THE two men credited with building up two of the most influential advertising agencies in the UK are to join forces. News that Tim Bell of Saatchi and Saatchi is switching to rival agency Lowe Howard Spink Campbell-Ewald to join his old friend Frank Lowe, ends weeks of speculation and provides the industry with its most intriguing move of the New Year.

As opposite numbers, they each made their mark in the 1970s, when managing directors Bell steered Saatchi to its position of dominance as a "business" agency and Lowe built Collett Dickinson Pearce into the premium "creative" agency.

In a "people business" like advertising, migration of luminaries is noted with as much interest as account moves. Since both Bell and Lowe are charismatic and ambitious men, the high octane combination will be one to watch.

Bell is also a man of influence: both as the man closest to the engine of the Saatchi during their phenomenal rise from nowhere to become the world's fifth largest network, and for his links into high political circles; he is said personally to have the ear of the Prime Minister. Certainly in his office is a signed picture "From Margaret, with love."

The National Coal Board's Ian MacGregor is also known to value his advice. Bell is one of the most likeable men in the business, with an easy confident manner and a glamour that appeals to gossip columnists. "He is an immensely attractive individual," says Martin Bear, chairman of Basse Massini Pollitt, "and can be a very good friend, if you can get a word in edgewise."

A curious mixture of laidback ease, only the chain-smoking gives away his restless energy. Work is a round the clock activity that knows no closing time; he puts his success down to "enthusiasm, terrific energy and a belief that life should be exciting."

After 15 years—"half my working life"—at the heart of the Saatchi organisation, if not as captain, then as pilot, many wondered where next? "I've just shown everybody," he says

collegially, "Simply time to move on," is how he explains his surprise move. "I've worked at the top of the best advertising agency in the world and now I'm going to work at what could become one of the best. There's plenty of room to believe for more than one shade of excellence in the business. If you want an example of competition working, look at the ad industry," he says. "What comes out of it is better and better advertising."

But there's more to Bell's move than that. As a founder member of Saatchi (he remains a large shareholder) Bell had become something of an enigma there recently. His years as managing director and then international chairman of Saatchi and Saatchi Compton Worldwide were followed by a long absence early last year for health reasons. In effect, he has been uninvolved with the daily running of Saatchi matters, domestically and internationally for about 18 months, busying himself latterly in political and public affairs matters.

Hindsight

Trying to fathom the cause of the disenchantment between Bell and his alma mater is like trying to catch a cloud. What is clear is that he became less involved in Saatchi corporate matters and in mid-1984 set up his public affairs unit. An early client was the National Coal Board, but fearing Tory Party conduct, it was directed to Lowe's by Bell who remained its advisor. Signs, with hindsight, of the move to follow?

There are those who point to a curious irony in that the corporation he helped build is ultimately unable to accommodate its high-spirited engineer. Or perhaps when the nature of the company changed to a more formal footing, when the thrill of the chase, the bricklaying was over, that the project ceased to engage him. One thing is for sure, Bell (nor Lowe for that matter) is not a "company" man in any traditional sense. Their style is unorthodox, theirs is a flair that does not always sit comfortably in "institutions."

He was a natural from man for the press-shy Saatchi brothers and as "new business" orchestrator to the steamrolling 1970s, his persuasive clout found favour with clients, creative teams and account handlers alike. As managing director he worked on most client accounts, such as Rowntree Mackintosh, Schweppes, British Caledonian, Procter & Gamble, Sainsbury.

Like a number of top agency managers, Bell was originally a media man—involved in buying airtime on television. Now 43, he first made his name in the early 1960s as a time buyer at Colman Prentice & Varley. "He was quiet and very, very capable," says Frank Monkman, the then media director, of the 22-year-old Bell. "One of the best in the country."

Brief spells followed with Bates, and Geers Gross since it is generally regarded as a first experience of a public quoted agency before Saatchi snapped him up.

Bell quickly applied his talent in buying to selling. "A first class salesman," says Ron Leagas of Leagas Delaney, who for nine years worked with him at Saatchi. "He could sell his way out of a lead box. He has amazing instincts. He could go into a meeting, with no briefings, having never met the audience, nor seen the presentation and in two minutes pick it up and dominate."

He could command a roomful of high-ranking executives armed with only a handful of bendy knees explaining the finer points of an issue to members of the audience. Bell himself attributes his success to the brothers, "who taught me to believe that all things are possible."

"It is entirely my good fortune that I met the brothers during their period of phenomenal growth," he explains. "Those early years gave me the experience and learning which virtually no one else has had other than as a proprietor."

He is at pains to stress that his leaving is "not a comment on Saatchi but rather a comment on Lowe Howard Spink and a comment on me. I would like to believe it is possible to leave here and start the next stage of my career without it being seen as a criticism of Saatchi or some disadvantage



Tim Bell: "It's simply time to move on" Roger Taylor

being caused by my being at Saatchi. It's simply time to move on."

Though parallels with the Saatchi empire are spurious, since it is generally regarded as a one-off phenomenon, Lowe Howard Spink has shown several likenesses.

Lowe is known to admire Charles Saatchi greatly, since their Collett days together and before when they were both at Benton and Bowles. Like Saatchi he engineered a reverse takeover of an established giant; in his case, he backed into the sleepy Wasey Campbell Ewald, which in turn offered links with the world's largest advertising network, Interpublic.

This brought his young agency international muscle, major clients and a certain "respectability." Since the LHC-E has gone public with billings now topping £50m, ranking number 18 in the UK. Three and a half years ago the agency didn't exist. Industry observers will recall the daring Saatchi takeover of Garland Compton in 1982 which marked a turning point for the company.

"People had to take them seriously after that," one observer says. "Everyone thought the Compton blue-chip

clients would move on—the Procter and Gambles, Cadbury Schweppes. But they all stayed. It was a brilliant piece of strategic work and Bell was instrumental in it."

It remains to be seen how the Lowe-Bell chemistry will work and what it will mean for the agency. Lowe, for the moment, is delighted with his new chief executive who moves to Bowater House in Brompton Road say day now. Meantime speculation that the Tory Party might follow suit is said to be groundless. "There is absolutely no doubt it will stay at Saatchi," says Bell, who will remain as political advisor to the Saatchis.

At Central Office, Gordon Reece, the mastermind behind Mrs Thatcher's election campaign, said: "Saatchi has been a very successful agency for the Conservative Party and we have no intention of walking away from success. We would have been sorry to see Tim go but as we understood it he will continue to work on the account."

Hill & Knowlton In last week's table of UK PR companies, the fee income for 1984 for Hill & Knowlton was omitted. This should have read £2.2m.

British companies display poor marketing instinct

Carla Rapoport on findings of a comparative study

MARKETING has never been among Britain's strong points. But why should British managers working for Japanese companies in the UK be so much better at marketing than their counterparts in rival companies?

Bradford University Management Centre, funded by the Economic Research Council, recently examined this question in a study of nearly 40 UK and Japanese companies operating in the audio equipment, microwave oven, machine tool and copier markets. Its findings will make depressing reading for British managers. The study confirms that Japanese companies instil a need to win in their UK employees. At the same time, British marketing men remain largely defensive and complacent, according to the study.

"The need for action on the part of British companies is clear," says Peter Doyle, Bradford's Professor of Marketing and co-author of the study.

Briefly, the study came up with the following points: ● Only a third of the UK companies felt they were "good at sales and marketing." The UK companies showed a marked ignorance about customers' needs and competitive products.

● While 87 per cent of the Japanese companies gave "aggressive growth" or "market domination" as their goal, UK companies most frequently listed "maintenance" of the "prevention of decline" as their goal in the marketplace.

● Over half the UK companies said they were "poor" at differentiating themselves from their competition. They relied on low prices, a traditional brand name or the "buy British" preferences of local consumers.

● In some markets, the traditional roles of Japanese and British products are being reversed. The British product is now seen as the cheap alternative, the Japanese as more expensive and desirable. "Poor marketing, weak design and insufficient attention to the changing consumer" is in danger of leaving UK firms at the low, commodity end of the market, the survey notes.



Part of the reason for the weaknesses found in UK companies, according to the Bradford study, is due to the traditional organisational structure of the UK groups. This structure spreads out authority so that no one person is responsible for championing a particular product. Budgets and computer back-up are often insufficient for planning specific product strategy. By contrast, all the Japanese companies were organised by product lines, most of which were individual profit centres.

But British managers working for Japanese firms were not pressed into the stereotype of the Japanese manager, in terms of shared values of harmony or team spirit. "Working for most Japanese subsidiaries in the UK was pretty much like working for a well-managed company anywhere," the study notes.

In conclusion, the study makes some recommendations for British firms: British companies should break down their top-heavy functional structures into smaller business units oriented around a product and market. Responsiveness and computer systems should be geared to the market performance of individual products rather than production of financial aggregates.

British companies also need to develop more of a marketing culture, the study states. "Too many are dominated by short-term profit considerations or an over-emphasis on traditional production skills. The chief executive should take the lead in demonstrating a commitment to staff leadership," the authors state.

And not too surprisingly, the academics make a call for better professional education in marketing. "Too many British managers appear to lack basic marketing skills," the study concludes.

A comparative investigation of Japanese marketing strategies in the British market by Peter Doyle, John Saunders, and Veronica Wang, Bradford University Management Centre, Emma Lane, Bradford BD9 4JL, £2.

Companies participating in the study: Japan based: Aikai, Canon, Hitachi, Nakamura Tome, Nisigata, National Panasonic, NSK Bearings, Pioneer, Ricoh, Sansui, Sharp, Sony, Takasaka, Toshiba, Yamazaki. UK: Alba, Amstrad, Beaver Machine Tools, Binatone, Colchester Lathe, Ferruson, Fidelity, Radio, Geestrey, Kestrey and Trecker Marine, Rank-Xerox, RHP, Industrial Bearings, TI Credo, TI Matrix and Herbert Churchill, Tricity, Wadkin.

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مكتبة لادن

THE ARTS

Theatre design/Roy Strong

Empty flats and borrowed plumage

It is the sad fate of theatre design to be subject to the pen of critics of the performing arts whose visual sense can generally be categorised as, at best, variable and at worst, downright ignorant. Not that I would let the art critics loose, because their visual premise is what they have last seen at the Venice Biennale. Theatre design is a strange art, minor art, the one of placing and moving figures in a constructed artificial space to meet the demands of text and director. It is the careful consideration as to whether the designs have met these demands which is the determining factor of their success.

1984 was, I would have thought, rather a dull year as theatre design was haunted by money problems. As costs soar we have moved into the era of borrowed plumage. Andrea Cherubino came to Covent Garden from Cologne, rather successfully, but with an odd set of credits. "Design concept by Ezio Frigerio" and "Designs executed by William Orlandi" leaving one wondering who did it. This followed a move from Hamburg in 1983 which is visually best forgotten. More bizarre, however, was the English National Opera's re-staging of a late 1960s production of Verdi's *Selva di Nigella*.

The result was a period piece in every sense. More intriguing were the various attempts to solve the problem of staging the great 19th century operatic and balletic warhorses in terms of diminished modern resources. Aida at Covent Garden, which suffered a trouncing of the hands of the critics, made use of a vast sphinx-head centre stage. This not only had a detachable wing and movable beard but was turned first this way and then that. Understandably, when the famous triumph scene was reduced to school sports day gymnastics and a couple of trumpeters before a cloth of Egyptian bay-bellies of a procession, the audience jeered. In this instance economy reared its head, but the concept of *Aida*,



The London premiere of Turandot at the Royal Opera House last September

ab initio, as spectacle. More successful were Boris Godunov and Turandot. Both reached the same formula of a tiered arena theatre. On the whole, Sally Jacobs' designs for Turandot worked better, although she was let down by her director who failed to make use of her set and whose inventiveness had reached the level of paper streamers by the end of act one.

By far the most distinguished designs in this vein were those by Philip Prowse for the Sadler's Wells Royal Ballet production of The Sleeping Beauty. Although like Georgiadis he reaches for his pot of

gold a little too often, the architectural set designed for many stoking our moved effortlessly into a tiered arena theatre. On the whole, Sally Jacobs' designs for Turandot worked better, although she was let down by her director who failed to make use of her set and whose inventiveness had reached the level of paper streamers by the end of act one.

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work with Geneva, the result being one of the lowest manifestations of design seen on stage in 1984. Indeed now that ENO is so much in the limelight one might add that all our national subsidised companies it has the poorest design record. It may be argued that this is due to lack of money but money cannot give either commitment or taste and both are missing from a view of opera which works from the premise that it is not a marriage of equal arts. Internas of design Timothy O'Brien's Masteringers offered by far the best sets and costumes to be seen at

Zurich reopens in full spate

With a precision typical of Switzerland, the Zurich Opera House has reopened to a spate of new productions, bringing its energies for two and a half years. There has been a sprinkling of artistic excellence in all this activity, but the most striking success is the building itself.

Gone are the anti-riot boards, the makeshift entrance, the burrow of tunnels to the restaurant and the general air of shabbiness. The former pressure on space has been eased by the addition of a functional block alongside, housing administrative, catering and rehearsal facilities, and respecting the theatre itself as a free-standing structure.

After sampling the acoustic from gods and stalls, I can vouch that the boxed sound of the auditorium has been improved; and the new-baroque trademark that distinguishes the work of the Viennese architectural team of Fellner and Helmer in a number of European cities is nicely pointed up, with the overall sense of proportion underlined afresh.

The renovation went well, and which will be remembered as the tinder that sparked Switzerland's worst experience of youth unrest. It has been worthwhile, however, if only to prove the value Zurich places on the arts and to

show that certain types of theatre can be a work of art in themselves.

The choice of repertoire for the opening celebrations was true to the traditions of the house. A new Meistersinger production, recalling Wagner's close associations with Zurich during his Swiss exile, brought a festive air to the proceedings. At the other extreme, the commissioning of a new opera from Rudolf Kerttunen (born 1931), doyen of Switzerland's living composers—brought to mind Zurich's pioneering role in a number of world stage premieres, including Lulu and Moses and Aron.

It would be foolish to suggest, however, that Der Kitzgarten, Kerttunen's fourth opera, will make a corresponding impact on the history of opera. It was presented in the most flattering light possible—the kind of production that most composers dream about—but the work seems dotted with flaws that make me suspicious of its potential in the long term.

Kerttunen has based his libretto on Chekhov's play *The Cherry Orchard*. The four acts last about two and a half hours, and there are ten principal characters, each of which is well characterised and makes attractive demands on the voice. Kerttunen's musical language is basically serial, but there are sufficient references to diatonic harmony, drawing on a clear-

score. Each of the singers was of international standard, with outstanding contributions from 'Ann Marie Robertson as Alya, Peter Straka as Trofimov and the baritone Hanshelm as Lopachin. Nikolaus Lehnhoff, together with his decor and costume designers Andreas Reibardt and Tobias Hohenstein, was responsible for one of the most imaginative and stylish productions I have seen of any opera, resisting the temptation to show any vestige of the orchard itself, and displaying a clarity of purpose and focus that elevated the work.

In the first act, for example, he has nothing new, interesting or relevant to say, except perhaps in his use of percussion for the creation of mood. Indeed the main impression here and in several other sections is of a succession of glacier-like blocks of sound, slow-moving and characterless. The opera's most effective passages are the lyrical musings of the governess, a mezzo soprano, at the start of act II, intertwined with the vocal decoration of Anya and Trofimov, a high soprano and young tenor; and the molto agitato and atocato accompaniment to Lopachin's speeches, characterising the disruptive, uncertain world he represents.

Ralf Walther conducted a relaxed and lucid account of the score. Each of the singers was of international standard, with outstanding contributions from 'Ann Marie Robertson as Alya, Peter Straka as Trofimov and the baritone Hanshelm as Lopachin. Nikolaus Lehnhoff, together with his decor and costume designers Andreas Reibardt and Tobias Hohenstein, was responsible for one of the most imaginative and stylish productions I have seen of any opera, resisting the temptation to show any vestige of the orchard itself, and displaying a clarity of purpose and focus that elevated the work.

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Stockhausen/St John's

Andrew Clements

If any of the modest audience for Sunday night's New Macanaghten concert had been encouraged to attend by the prospect of more Stockhausen after the invigoration and excitement of Music and Machines, their optimism must have been confounded speedily. Markus Stockhausen appeared as one of the four soloists in his father's *Hyperion* last week at the Barbican, playing synthesiser and trumpet. At St John's he appeared as a solo trumpeter, performing with the percussionist Robyn Schulzky and William Kraft and Stockhausen's *perc.*

It was a trivial, eminently forgettable evening. The two Stockhausen works bracketed the programme. The set of 12 miniatures which makes up *Tierkreis* has appeared in a variety of instrumentations; the latest for trumpet and percussion, does nothing to suggest that it is anything more substantial than a sequence of carefully proportioned, yet entirely decorative tunes. Ober-

lippen was possibly more dispiriting, as one of the first samples we have heard in London of the most recently completed portion of the opera cycle, *Leib, Samsung*. It is a sort of piccolo trumpet, which in the opera is part of a scene played on a set that takes the form of a fore; this particular section is delivered from the upper lip, hence the title. The music is even less encouraging: a sequence of calls and effects, scraps of melody, strung together upon an impoverished scheme of dramatic gestures.

Kraft's *Encounters III*, for trumpet and percussion, has the kind of title which makes the heart sink before a note has been heard, and nothing in it—a partially improvised duel for the two players—contradicted that initial feeling. Zimmer-

man's *Glockenspiel* for solo percussion was charming in its slight, wispy way; another of the composer's back-to-nature meditations with some nicely imagined snare and tom-tom, but nothing to provide the weight, so sadly lacking in the concert.

Kent Opera's Spring plan

Arnold Östman, musical director of The Royal Court Theatre, Drottningholm, Sweden, makes his debut with Kent Opera conducting its new production of Rossini's *The Barber of Seville*, produced by Jonathan Hales, which opens at The Marlowe Theatre, Canterbury, on March 21. Östman returns to

Andrew Clark

The FT lecture

The full text of the second Financial Times lecture, given by the composer Alexander Goehr at the Barbican in London on Tuesday, will be available soon free of charge from the Financial Times Press Office, Bracken House, Cannon Street, London EC4 (01-248 800, ext 4123).

National Gallery record attendance

Nearly 3m people visited the National Gallery in 1984, which continues the upward trend over the past three years by topping the previous year's record of 2,998,676.

NETHERLANDS

Utrecht, Central Museum. Rare silver of the Golden Age. The Van Vianen family of Utrecht provided the country's leading silversmiths for much of the 17th century. The 60 objects from London, Vienna, Leningrad, Berlin, Paris and Amsterdam (nearly all from the work of Adam and Paulus Van Vianen, whose introduction of the auricular style and emphasis on the sculptural qualities of silver brought about a break with the past. Ornate, yet graceful cups and ewers contrast with superbly chased tazzas and plaques depicting mythological and biblical scenes in low relief. The dazzling display is complemented by 17th-century paintings and drawings in which the Van Vianen's creations (featured as sumptuous accessories. Ends Feb 10 (closed Mon).

Amsterdam, Van Gogh Museum. A large selection from the holdings of the city's Stedelijk Museum pro-

Le nozze di Cherubino/
Jeannetta Cochrane

Rodney Milnes

Some years ago Peter Ustinov recorded a sketch called "Mock Mozart", which lasted for about four minutes and was tolerably amusing to listen to, once. Giles Swayne's new opera, written along roughly the same lines, lasts for nearly two hours and is not. The only real point of interest at Tuesday's premiere was how on earth this witless farago ever came to be put before a paying public, let alone published by a reputable house.

Mr Swayne's own libretto, written and sung in Italian (there were Italians neither in the cast nor, probably in the audience), is an amiable pastiche of Da Ponte, successful at the level of a New Statesman competition and, again, tolerably amusing for a page or two. The plot is a rerun of Mozart's *Figaro*, with Cherubino returning from military service, and seeking to marry Barbarina in the face of opposition from the Count; there are surprise revelations of parentage leading to a contrived happy end. To add interest (I use that noun reluctantly) Donna Anna and Don Ottavio are introduced as Desdemona and Othello, and Desdemona is played as a right raver, and so was Barbarina. To have one musical ball queer in your opera may be counted as mischance; to have two looks as if you're doing it on purpose.

Mr Swayne's score is also bloodless 18th-century pastiche, innocent of musical characteristics save for that inherited from the original. The accompaniment is for two baroque chorales, cello and bass; those characters not singing sit with

music stands and add scat orchestral parts à la Swingles. On occasion it seemed there might be some "wrong note" written to add relative interest but no, it was just that every one was out of tune—and out of sync; the standard of ensemble was unacceptable. Just as there are quotes and allusions in the libretto, so there are in the score. Recognition Sexter, "Porgi Amor", "Dove sono", and so on, are cited as models, presumably as an act of homage; to my mind the results are simply insulting, with acres of music that would have made Salieri himself blush.

There was some truly dreadful singing, especially in the tenor department, and the brave efforts of some talented artists coming with impossibly written vocal lines should be saluted; they included Linda Hibberd (Cherubino), Birgitta Angsmyr (Barbarina), Patricia Cameron (Countess) and Garrick Forbes (Bartolo). The composer conducted. The producer (Michael Hunt) failed to find a consistent style, merely stumbling from one bad idea to the next (having Basilio raise his habit to reveal a pink suspender belt was one of the worst). The performance as a whole aimed at a level higher than that of country house chorales.

I must add that a well-disposed audience composed. It would appear, largely of family and friends Mr Swayne is well connected) gave the opera an enthusiastic reception, thus setting the seal on an evening of British shambolism at its most cringe-making. I felt ashamed to be there.

Dang Thai Son/Wigmore Hall

David Murray

This young Vietnamese pianist won the Warsaw Chopin Competition in 1980 against some strong rivals, though the name of Dang Thai Son hasn't so far become known to the pianist. His Tuesday recital was his London debut; it included Chopin, of course, and Prokofiev's Sixth Sonata (perhaps a gesture to his Russian training), and—less expectedly—the first book of Debussy's *Prelude*.

He demonstrated not only strong, accurate fingers, but severely impressive conviction in his various readings. It was surely misplaced in Debussy; though the rapid flicking of "Mouvement" suited him well enough, the ampler sonorities of "Reflets dans l'eau" and the "Homage à Rameau" sounded starved. Neither got the long rhythmic periods in *Debussy*, but was subjected instead to kind of calculated whimsy, with a different tempo every couple of bars; the "Reflets" became a series of fiftieth splashes, and the gravity of the "Homage" was lost altogether.

The Prokofiev Sonata was far more idiomatic, even to the point of daunting stridency at the start. There were hints of cautious warmth in the middle movements, but implacable

drive was the keynote. It was all rigorously articulated, with each new idea sharply pointed. What was imperfectly conveyed was the emotional depth of the music; not, I think, because the pianist was unaware of it, but simply because his unbending manner needs to mature further. His intellectual command of the material was not in doubt, nor his steady technical control.

It is interesting to see his Chopin, which indulged none of the liquid sounds favoured by Western players (Dang Thai Son prefers to exercise extreme parsimony with the pedal). The late 18th-century *Nocturne* on 55 no. 2, clicked brightly through its decorative elaborations like a tightly-wound watch, but very knowing and artful. The *Ballade* in *mi* minor, Scherzo, which is anyway unlikely to suit among the scherzos, emerged rather well in his brusque treatment, and the early 19th-century *Andante* in *mi* minor, which is an entrancing choice—gleamed like enamel. Best were a trio of Mazurkas, more very danceable but each pungently characterised, smoky and wry. An interesting pianist, if not an ingratiating one; if maturity brings more expansive interpretation he will be remarkable.

Saleroom/Antony Thorncroft

The revolver used in The Mousetrap when it opened in London 31 years ago but subsequently banned from the stage because it was a real Colt, sold for £800 at Sotheby's yesterday, played a part in a gun sale. As usual a sporting gun by Purdy fetched the top price, £14,350 for a 12-bore ejector.

Among the toys and games two French musical automaton dolls, of a piano player and a mandolin player, both dating from around 1880, sold for £11,880 and £11,550 respectively to the Alexander Gallery of New York. A conventional Burdell, French 1875, beat its target at £7,450.

Phillips recorded some good prices in its Chester auctions of golfclubs and piscatorialia. Golf courses of Scotland by John Smart sold for £14,000 as did The Golf Book of East Lothian, signed by the author John Kerr. A featherweight trout bought for £1,020. Among the fishing items a Hardy 1896 pattern all brass salmon perfect reel made £400.

In the afternoon sessions at Sotheby's a Mickey Mouse watch sold for £12,100. It was only made last year (to celebrate the 50th anniversary) but the maker was Garrard and it is gold, and diamond-studded. The estimate was around £1,000. Sotheby's also sold a mid-19th-century cane fishing rod, by Aldred, for £748. It was bought last year at a jumble sale for £1.

Arts Guide

Exhibitions

PARIS
Kandinsky: 70 paintings, many on loan from the U.S., West Germany and The Netherlands, are complemented by Wladimir's legacy of 700 drawings and sketches by his correspondence, his library and his own collection. The vast retrospective, the most important in Paris since 1963, retraces the different stages in his creation: Munich, the Bauhaus and finally Paris. Centre Georges Pompidou, closed Tuesday. Ends Jan 26. (771 1231).

HAMBURG
Kunstverein, Glockengießerwall: Fifty-five paintings, water colours and gouaches by Edward Munch, the Norwegian painter (1863 to 1944). Ends Feb 2.

HANNOVER
Forum des Landesmuseum, 8 Am Markt: Berlin Art between 1770 and 1930 has 300 bronzes, gypsum, ceramic and china sculptures by artists ranging from Gottfried Schadow to Georg Kolbe. Ends Feb 17.

MUNICH
Haus der Kunst, Prinzregentenstrasse: The museum is displaying two exquisite shows. Noted the Woman in Ancient Egypt has 96 important works from between 2,500 B.C. and 200 A.D., on loan from Cairo. Ends Feb 10. Shogun offers a panorama of Asian culture to the everyday life of the Japanese dynasties between 1815 and 1868. Despite the limited number of exhibits from the Tokugawa Art Museum Nagoya in Japan, the show allows an insight into the position and importance of the Tokugawa prince. Munich is the only German venue of the exhibition which goes on to Paris. Ends Feb 3.

LUDWIGSHAFEN
Wilhelm-Hack-Museum, 23 Berliner Strasse: The show has more than 120 pictures of various materials, collages, coloured leaves and paintings by Rolf Iseli, the Swiss artist. Most date from before 1921. Ends Jan 27.

MANNHEIM
Städtische Kunsthalle, 9 Moltkestrasse: 50 large oil paintings by Arnold Böcklin, the Dutch artist and his biennial participant all painted after 1933. Ends Jan 30.

ITALY
Naples: Museo di Capodimonte: Naples in the 17th Century: for lovers of Baroque. An excellent exhibition of paintings, marbles, silver and furniture dating from a period

when the city was the second in Europe after Paris. Ends April 14.

ROME
Villa Medici (French Academy): Degas and Italy. A gradual recognition by the French Academy of the importance of Italy to the work of one of the greatest artists of the 19th century (this year is the 150th anniversary of Degas's birth). The exhibition follows Degas's principle that preparatory drawings should be shown with the finished work. This has been done here with three remarkable paintings: the portrait of the Bellini family (with its echoes of Piero Della Francesca). The works cover the period 1858-60.

ROME
Galleria la Gradenza (Via della Fontanella 5): Modern Italian painting including Guttuso, de Chirico, Annigoni, Rogni, Balla. Ends Feb 10.

FLORENCE
Palazzo Strozzi: Icons from Russia—painting in Russia and the Ukraine from the 15th to the 18th century, organised by the new exhibition centre in Florence and the Russian Ministry of Arts. On show are 71 icons from the Museo Rublev in Moscow, and from museums in Leningrad, Kiev and Cernigov. Newly restored and stripped of their dark protective layers of linseed oil, the colours are brilliant and the gold gleams. The exhibition is fascinating not only for the extraordinary and disconcerting beauty of the icons but for showing the remarkable artistic isolation of Russia, which allowed this subtle art form to survive until Peter the Great de-

cided forcibly to Europeanise it in the 18th century. Ends March 3.

MILAN
Castello Sforzesco: L'Atelier dell'Illusione—120 opera costumes chosen from the 80,000 in La Scala's storerooms. A visual opera history of the last 60 years. All the costumes are original except the first on show: a replica of the black, satin dress worn by Maria Callas in *La Traviata* at La Scala in 1955. Closes end of Feb.

UTRECHT
Central Museum. Rare silver of the Golden Age. The Van Vianen family of Utrecht provided the country's leading silversmiths for much of the 17th century. The 60 objects from London, Vienna, Leningrad, Berlin, Paris and Amsterdam (nearly all from the work of Adam and Paulus Van Vianen, whose introduction of the auricular style and emphasis on the sculptural qualities of silver brought about a break with the past. Ornate, yet graceful cups and ewers contrast with superbly chased tazzas and plaques depicting mythological and biblical scenes in low relief. The dazzling display is complemented by 17th-century paintings and drawings in which the Van Vianen's creations (featured as sumptuous accessories. Ends Feb 10 (closed Mon).

Amsterdam, Van Gogh Museum. A large selection from the holdings of the city's Stedelijk Museum pro-

vides a comprehensive survey of the "style identity" in art since 1945: from Cobra and the Informel Group, via Zero and conceptual art, to the New Realists and the emblematic expressionism of the emerging generation. Ends April 15. (The permanent Van Gogh exhibition has moved to the top two floors for the duration).

S. JESUURM DE MESQUITE
Prints, drawings and decorative designs trace the career of this exponent of Art Nouveau who managed to combine simplicity and crispness of line in his woodcuts of people and animals with the bizarre extravagance of the "surrealist" drawings—fervid caricatures with a surrealist tinge. Amsterdam, Jewish Historical Museum. Ends March 10 (closed Mon).

AMSTERDAM
The Rijksmuseum opens its centenary year with a close look at the Last Supper. Twenty sketches and studies, 12 by Leonardo, accompany an immense photographic reproduction of the dining mural, while detailed photographs chronicle the restorers' latest efforts to reverse the erosion. Ends March 3. (Closed Mon).

AMSTERDAM
Historical Museum. A show of 19th-century topical prints which met a popular demand for political comment. Illustrations commemorating important events in Dutch history, and souvenirs of roy-

al occasions. Ends March 3 (Print-room closed Sun, Mon).

CHICAGO
Museum of Contemporary Art: Celebrating the foresight of local collectors, Dada and Surrealism in Chicago. Collections include more than 300 works by Dali, Ernst, Magritte, Miro, de Chirico, in mixed media including sculpture and photographs as well as paintings and drawings. Ends Jan 27.

TOKYO
Ceramics of East and West (Idemitsu Art Gallery): This exhibition highlights 17th and 18th century fine ceramics in Japan and Europe, including Japanese Arita ware, Delft from The Netherlands and Meissen from Germany. Particularly interesting is the influence of these various wares on each other, the result of trading of the period. Shards of Chinese and Japanese pottery excavated outside Cairo are also on display. This museum, on the 9th floor of the Kohseido Building in Hibiya, near Imperial and Palace Hotels, commands an excellent view over the most and Emperor's Palace in the centre of Tokyo. A relaxed atmosphere enhanced by the serving of Japanese tea. Ends Feb 3.

WOODBLOCK PRINTS (Ukiyo-e)
Of 17th century actor Ichikawa Danjuro. One of several exhibitions to mark the occasion of Ichikawa Danjuro XI's succession to the most famous name in Kabuki in the spring. The traditional close ties between Kabuki and art exist even today. Nizkor Art Museum, Osaka. Ends Feb 24.

JAPANESE NEW YEAR ARTS (Tanshiwa Art Gallery)
This gallery with its interior rock garden and tea ceremony room is perfect for an exhibition which demonstrates the importance of New Year, Japan's most popular religious festival. Ends Jan 27.

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Thursday January 24 1985

The future for coal

IT IS NOW likely, if not yet certain, that the miners' strike is in its final phase. At some point soon the Government and the coal board must decide both the right moment to reopen negotiations and an agenda for those talks.

In one respect, the Government has little room for manoeuvre. The deal the board struck with the pit deputies union, Nacods, last October on independent review machinery for pit closures has ensured that decisions about closing uneconomic coal mines in the future will not be a matter for management only.

The agreement with Nacods will have to be honoured. But it is important that the board uses what scope for manoeuvre that formula affords to the maximum advantage.

For just as important as the Government's political objectives in not yielding to the NUM are its economic objectives—the desire that the coal board be run as a commercial business, albeit one in which the pace of change should be strongly influenced by social considerations.

The most obvious economic issue still at stake is the need to reduce the coal board's losses from their effective pre-strike level of over £1bn a year.

Clearly the question of uneconomic coal mines is at the heart of this task, and it will be vital for the board to insist upon terms of reference for the review body which involve more than a mechanistic splitting down the middle of management and union claim and counterclaim.

But an equally important issue concerns the relationship between the Coal Board and the Central Electricity Generating Board, which has traditionally bought around three-quarters of the Coal Board's output.

The relationship between the CEBG and the NCB is one of chronic government interference which since the mid-1970s has ensured that the CEBG imports very little coal—around 10m tons in the year before the strike.

This has, in effect, made the CEBG a captive customer for the Coal Board, buying 75m tons of UK coal in a normal year.

The weaknesses of this arrangement are obvious. On the one hand, negotiations between the CEBG and the NCB are close to meaningless, since the Government knows that if the CEBG is allowed to drive the UK coal price down, it will

result in bigger losses for the NCB, which the Government will have to fund. A circular position is completed by the fact that the Government, in search of a smaller public sector borrowing requirement, then requires the electricity industry to raise prices to consumers in order to generate ever larger surpluses, which the Treasury then creams off in the form of negative external financing limits. The only thing clear about this procedure is that, at the end of the day, consumers and taxpayers pay for it.

Unless there is a market benchmark against which the UK price of coal can be set, the coal industry is destined to operate in a world of economic make-believe.

To address the problem, the Government would have to tell the CEBG to buy its coal from the most attractive source. This would not mean, as is sometimes thought, the closure of the UK coal industry in the face of an avalanche of cheap Australian, American and South African coal.

Understanding

UK coal is competitive against most imports at inland power stations because of land transport costs and, with a strong dollar, it is probably not at present uncompetitive against U.S. coal.

Even freedom to import, the CEBG could possibly step up its purchases to 10m tons or more—a dent in the Coal Board's market, certainly, but not a disastrous one.

Without a policy of this kind, it is difficult to see how the coal board can proceed towards a commercial style of management. Any government understanding which in effect guarantees a given level of CEBG coal purchases from the coal board becomes in some measure a commitment, as in the Plan for Coal, to a fixed level of output, and so, if you are not careful, to a certain number of jobs and a given level of subsidy. Unless the coal board is obliged to price its coal according to market principles, any other element of a peace formula for the industry based upon economic pits will be built upon sand.

The most important message of the strike is that the NUM does not, as was once supposed, have unlimited power to impose its own terms on the country. The Government will never have a better opportunity of setting the coal industry on the road to a viable future.

Polish justice on trial

SEARCH THE annals of court proceedings in the Soviet bloc since the Second World War, and you will find nothing comparable to the trial drawing to a close in Poland of the alleged murderers of Father Jerzy Popieluszko, the Solidarity priest. For nearly a month four Polish secret policemen have been at least partially taking the lid off their murky world in testimony given in open court with much of the international press in attendance.

How ironic that four policemen should be in the dock, when for most of last year it looked as though Poland's trial of the decade would instead feature the four leaders of the KOR dissident movement on charges of subversion. With three of the four police defendants pleading guilty to kidnapping, though not to intentional murder, it seems clear where the real subverters of Polish law were.

Whatever the verdict, it is hard to see how in the near term the security apparatus can operate with quite the abandon it has in the past. Too much has come out in the trial proceedings about the methods of the SB secret police not to have some sort of dampening effect on their activities.

Reports of the court testimony, carried extensively in the press and for half an hour every night on radio, may intimidate or encourage Poland's Solidarity sympathisers, dissidents or outspoken priests; at this stage it is hard to tell which. But anyone who complains in Poland in the future about police brutality will at least find his allegations getting more public credence.

There may remain, even after the verdicts, the nagging question of whether the Torun trial is not after all a more sophisticated "show trial," with the four put in the dock as scapegoats, like the Cubans in Watergate, to protect superiors. It remains, for instance, unclear to observers why the panel of three judges has, so far, chosen not to explore further ex-Captain Piotrowski's mention of a bomb plot against Father Popieluszko a year before his

death, or ex-Colonel Pietruszka's admission that he had access to the murder investigation files up to the day of his arrest.

Such trails, however, lead nowhere, according to the government which for the first time gave its assessment of the trial, via the indirect but authoritative medium of the party newspaper, Trybuna Ludu. The evidence had shown there was no wider trial, before the four defendants, the paper said.

This comment helps to delineate the nature of the political gamble which General Jaruzelski feels he has taken in allowing an open investigation of the decade would instead feature the four leaders of the KOR dissident movement on charges of subversion. With three of the four police defendants pleading guilty to kidnapping, though not to intentional murder, it seems clear where the real subverters of Polish law were.

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ALFRED P. SLOAN, the man who led General Motors to unchallenged supremacy in the motor industry, used to tell his subordinates that it was more important to be efficient duplicators than to be first with a new idea.

Like many of Sloan's concepts, this policy of cautious innovation is now being brushed aside by the new managerial broom sweeping through the company—and nowhere more conclusively than in the Saturn small-car project.

When Roger Smith, GM's current chairman, stood up in Detroit two weeks ago to announce the go-ahead for Saturn, he called it "a historic occasion." Far once, the touch of Detroit hype may be justified; if Saturn does not succeed, it is doubtful whether any U.S. car manufacturer will try again to take on the Japanese in the sector where they excel.

The question is whether there is a way for U.S. companies to respond to the challenge from Japan in a non-political manner," says Mr. Roger Vincent, a senior vice-president in charge of the auto division at Bankers Trust.

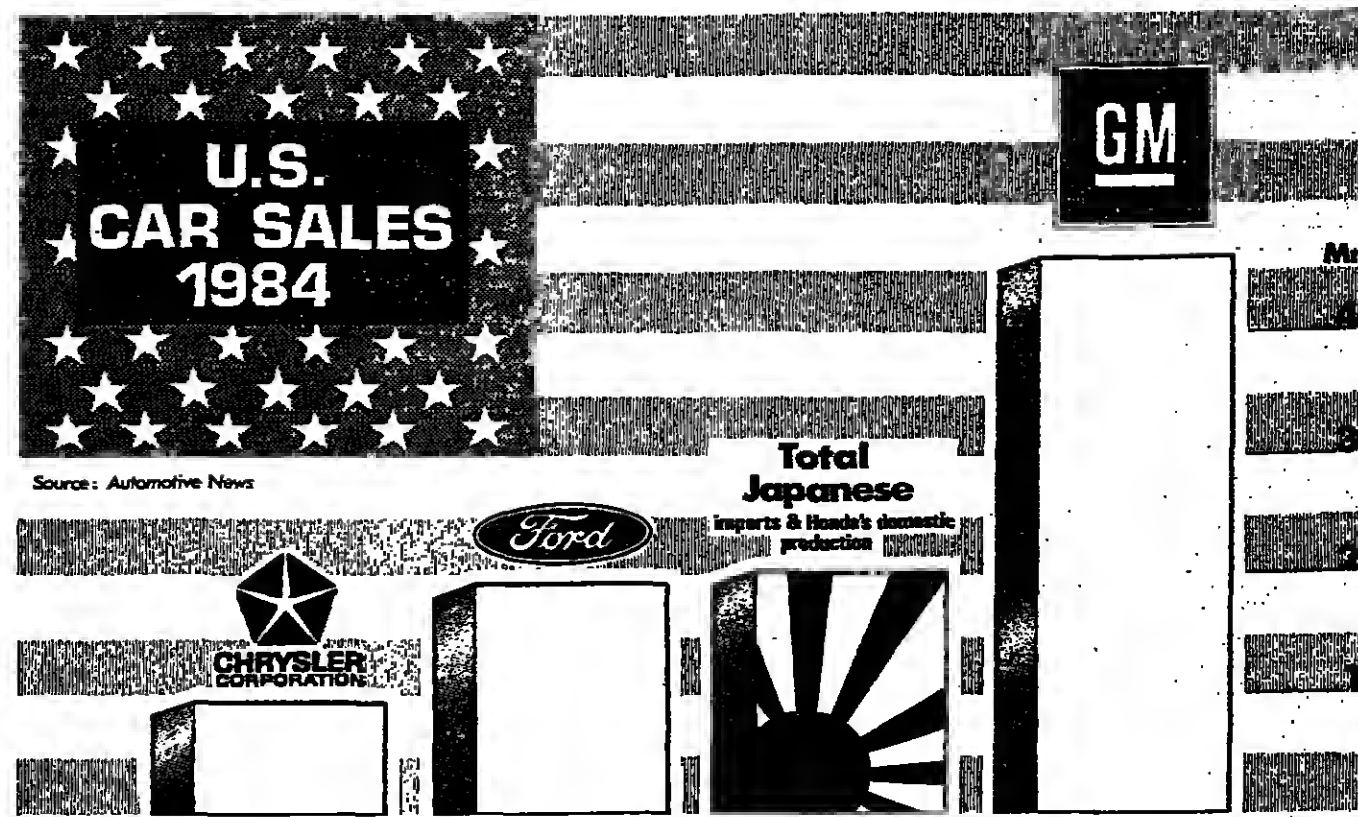
Until now, GM and the other U.S. car makers have tried to halt the onslaught of the Japanese either by elbowing for profits and import quotas or by forging links themselves with low-cost manufacturers in the Far East. Saturn represents the U.S. industry's first full-blooded counter-attack—a self-standing manufacturing project which aims to eliminate Japanese cost advantages by redesigning the production process from scratch.

At the same time, Saturn has a significance extending well beyond the motor industry. May other U.S. companies facing similar competitive pressures from overseas will be watching keenly to see how the GM experiment fares. Indeed, some academics see the project as a possible model for mature companies trying to break away from their top-heavy bureaucratic structures and respond to competition from the Far East with more entrepreneurial methods.

"This is an attempt to start anew," says Professor Quinn, who is at Harvard Business School. "In the U.S. we have a long tradition of going West and starting again when something goes wrong. I think you will see a lot of other companies moving in a similar direction to GM—in fact I know you will."

Smith has conjured up out of a magician's hat overnight. The group has been toyed with the idea for nearly three years, as a means of tackling its long-standing failure to produce small cars. In a typical U.S. company you probably have around 17, but at Saturn they intend to cut all that away.

One of the immediate tasks facing Mr. Joseph Sanchez, the 54-year-old Manhattan-born executive GM has picked to head Saturn, will be to produce a streamlined organisational structure for the new company. Smith graphically illustrated his aims at the Saturn launch by saying that he wanted the company to be able to put its organisational ideas on a piece of paper 8½ by 11 inches and



If Saturn's management is to close the competitive gap it will have to make gains in three main areas—by trimming corporate bureaucracy jumping paper, on the world motor industry, speaks for many doubters when he says that one of the tests of Saturn will be whether GM can resist the temptation to "smother the project in second-guessing committees."

What is certain is that GM knows a great deal more about what streamlining entails than it did 12 months ago because

"throw the rest away." Mr. James Womack, one of the Massachusetts Institute of Technology (MIT) team which recently produced a futuristic paper on the world motor industry, speaks for many doubters when he says that one of the tests of Saturn will be whether GM can resist the temptation to "smother the project in second-guessing committees."

What is certain is that GM knows a great deal more about what streamlining entails than it did 12 months ago because

If GM avoids the banana skin this time around, the rewards would be difficult to over-exaggerate

of its participation in the controversial joint manufacturing project with Toyota at Fremont in California.

Joint venture, which rolled out its first cars just before Christmas, has been variously attacked in the U.S. as a monstrous contravention of the antitrust laws or a pointless gift of a manufacturing bridgehead in the country to GM's largest Japanese competitor. But the launch of Saturn casts Fremont in a different perspective.

It lends weight to GM's claim that it would learn from the Japanese at Fremont in a way that could never be duplicated by factory visits across the Pacific.

Under the terms of the Fremont agreement, Toyota has complete managerial responsibility for the plant. It is run very much on Japanese lines,

ground for Saturn over the last 12 months. Part of this preparation has been in the acquisition of strategic stakes in robotics and high-tech companies, by far the most important step was the \$2.55bn takeover of Electronic Data Systems (EDS), the Dallas-based data-processing company which is the biggest group of its type in the world.

The significance of the EDS deal lies on GM's ability to transfer EDS's expertise in managing data to the organisation of a heavy manufacturing plant. EDS's main claim to fame so far has been in setting up computerised systems to manage the manual aspects of vast administrative empires in health care and government.

GM believes the same skills can be mobilised to organise a greenfield production plant in a way in which futuristic planners have been dreaming of for

years—a virtually paperless factory in which, says Mr. Smith, "we may not even have a mailbox."

He adds: "EDS will link all the design and information systems to the automated manufacturing process. It will tie together the front office with the factory floor, and ultimately plug in the Saturn dealer and supplies network."

This emphasis on swifter and more effective processing has come with a recognition that Japanese vehicle manufacturers tend to use their capital equipment far more productively than their U.S. counterparts.

One U.S. analyst claims that until quite recently the average time for changing dies in U.S. stamping plants was measured in hours against three to four minutes in Japanese stamping plants. It was not so much a question of entrenched American inefficiency, he says, as a failure to recognise that was an important issue. By making swift die changes Japanese plants can produce more flexibly to order, thus carrying less stock. GM is said to have now developed techniques to cut its own die changes to around two minutes.

The U.S. company has also hunted at a radically different approach to the assembly line in the Saturn plant. Instead of the traditional, continuously moving line, a system of modular construction involving large sub-assemblies manufactured in self-contained units is being introduced. The hope is that GM will be able to reduce its own manufacturing costs by sourcing much of the initial assembly work to suppliers while also improving the quality of the product by making production workers' jobs more varied.

The third element of the Saturn revolution will be to

tackle labour organisation, an area where critics believe the U.S. industry shows up its weaknesses most dramatically. Our assessment at MIT," says Mr. Womack, "is that the Japanese operate with only 60 per cent of the labour force employed by a U.S. company using identical machinery."

Mr. Smith has been understandably cagey about what type of labour arrangements the company is aiming for at Saturn. But because Saturn is independent it opens the way for a different contract than the parent company's master agreement. GM has already successfully tested the waters for such separate agreements. Last month, for example, it concluded a piece-rate deal with electrical workers at its GM electrical division under which, in exchange for job security, new employees will be hired at only 55 per cent of the existing base rate.

"I believe that management will ask for a lot more authority in assigning tasks in the new plant," says Professor Milia, a labour expert. "The company will push for more robotics and more participation."

The framework for this approach is the group's new wage contract. This drove a wedge into the industry's monolithic labour organisation last October by moving towards more flexibility and incentive payments in return for greater job security.

All the model will once again be Fremont, where Toyota is introducing Japanese-type participative methods to turn what was once a desert in industrial relations terms into a more fertile environment.

Only a couple of years before Toyota came onto the scene GM closed Fremont with an almost audible sigh: of relief that it would not have to deal with its touchy Californian workforce again. The plant had one of the worst strike records in the group. Yet today, many of the old workers and union officials are back, extolling the virtues of Toyota's participatory methods.

Despite all this preparatory work, however, GM is clearly taking an enormous risk with Saturn. Given that U.S. auto industry wages can scarcely be forced down to Japanese levels in the foreseeable future, GM must cut the number of man-hours and the level of capital expenditure in making a car to well below those in Japan.

Industry experts also point out that the group has a history of announcing "grand projects," such as an electric car or its ill-fated aluminium engine, only to fall flat on its face.

If GM avoids the banana skin this time around, on the other hand, the rewards would be difficult to over-exaggerate. Saturn, says Smith, is the "key to GM's long-term competitiveness; survival and success as a dominant force in the industry."

He might have added that a rejuvenated GM would not only be a tonic to the U.S. auto industry, but would also give a lead to corporate America's present drive to respond more positively to the competitive threat from overseas.

Whiter than white paper

Some extra whitening was used in this year's public expenditure White Paper—the original embargo tones were painted out or taped over.

Publication was originally set for noon last Friday, and the time was printed on all the documents. But after the confusion that ensued from recent weekend newspaper briefings, it was apparently decided that a mid-week release might be wiser. Hence the application of Snowflake and sticky tape, moving the embargo to Tuesday afternoon.

Mrs Thatcher has long shared by fascination for deciphering what has been concealed in this way. One warm day last summer, she was engaged in this pastime with some department paper that an alarmed aide bravely plucked a large and intrusive humble bee from her hair while, oblivious to the fuss, she continued to reveal what had been hidden in the documents.

But I trust she was not too engrossed this time to notice



"So this includes the falling pound surcharge—but not one for any Laker settlement?"

Men and Matters

the change in price of the White Paper. The two volumes this year cost £19.10 compared with £17.15, a rise of 11 per cent or more than double the Treasury's forecast rate of inflation for the year.

Second-hand coup

A sign that the Spanish military's abortive coup of February 1981 has been relegated to history is that some moments of that traumatic event are up for auction.

The three buses that transported Guardia civil units to the Madrid parliament under the orders of Col. Antonio Terejo, are to be sold. He bought the buses secondhand and claimed at his court martial that all the money came from his own savings.

Since the coup the buses have been confiscated by a Madrid court to help cover the damage caused to the parliament building.

The ceiling was shot up and at one stage in the brief coup, while Terejo was making himself famous on world television wearing his quatin bat, a fire was made of some of the furniture.

Terejo got life imprisonment but supporters drummed up 25,000 votes in a surrogate party formed for his benefit in the 1982 elections.

The bottom line is that even coups can make profits. The buses are likely to fetch around \$2,000 each from Terejo supporters.

Food for thought

pany is in inverse ratio to the lavishness of the hospitality it is willing to offer.

Nodding terms

Government ministers will certainly have to watch their p's and q's when television cameras eventually move into the Commons.

But as Alan Clark, junior employment minister, found to some embarrassment yesterday, it does not pay in the meantime to forget that Hansard has sharp eyes and ears.

Clark—ever exactly a Common Market enthusiast—was sitting on the Government front bench during the debate on providing another £119m for the EEC.

Leading Tory and marketeer Teddy Taylor's arguments against such a move proved too much for Clark's sense of a minister's collective responsibility. "I am delighted," Taylor commented (according to Hansard) "to see Mr. Clark nodding."

Taylor later ensured that his vote followed his voice by going into the lobby against the Government. Clark curbed his feelings and dutifully joined other ministers in voting for the EEC payment.

Flower power

English teacher Kathy Flower became an overnight television star in China when she presented Follow Me—An English-by-television series for the People's Republic produced by the BBC's External Services.

The programme, shown at peak-time, led to hundreds of proposals of marriage. Now Kathy is about to become an even bigger media star in China.

The BBC External Services has just landed a contract for a follow-up series designed for

Chinese-speaking students of science, technology and medicine. The co-production with China Central Television has been made possible with the help of a £600,000 grant from a Hong Kong-based educational foundation. The chairman of the Croucher Foundation, set up by former British businessman Noel Croucher, is the British Nobel prize-winning scientist Lord Todd.

Twenty 25-minute programmes are going to be made in both Mandarin and Cantonese with filming in Hong Kong and China.

Interestingly enough the Chinese, unlike the Japanese, tend to speak English like the English rather than the American sub-dialect.

Many countries have been trying to emulate our cultural diplomacy in China. But they have not been able to displace the BBC and its reputation in Chinese eyes," says Barbara Goldsmith, head of the BBC department involved.

Fitting the bill

Company secretaries up and down the country were apparently less than impressed by the stamina and all-round physical prowess of Pilkington's David Bricknell who, I reported yesterday, is going to climb nearly two-thirds of the way up Everest this spring.

Typical of the reaction was that of Peter Ellacott, of Royal Insurance, who says there must be hundreds like him who could list real feats of endurance that would put mere marathon runners to shame.

Just this week, for example, Ellacott says he watched the U.S. Super-Bowl football game until well after midnight before falling asleep; finished a rubber of bridge inside three hours; and took the lift to the fourth floor without getting dizzy.

The achievement which he records with most pride, however, is that he has completed 25 years as a British Rail commuter.

Observer

The Woolwich New Interest Rates

Woolwich Mortgage Rate

The specified rate of interest charged on new repayment mortgages for the purchase or improvement of owner-occupied residential property is now:

12.875% equivalent to **9.013%**
 Net rate payable on eligible loans with mortgage interest tax relief at 30%

An additional 0.5% is charged for new endowment mortgages. The rate of interest charged on existing mortgages will be increased by 1.125% on 1 February 1985 or 1 March 1985 or 1 May 1985 in accordance with the terms of the mortgage contracts. Details of revised monthly payments will be sent to endowment borrowers in the course of the next few days.

For Woolwich borrowers, there are still no differential rates however large your mortgage.

Woolwich Investment Rates

From 1 February 1985, increased investment rates will be as follows:

SHARE ACCOUNTS	7.50% net pa	= 10.71% gross*
7 DAY ACCOUNTS	8.75% net pa	= 12.50% gross*
90 DAY ACCOUNTS	9.25% net pa	= 13.21% gross*

*For basic rate taxpayers
 Certificates, Monthly Income Shares, Premium Income Shares, Savings Plan Accounts, Guaranteed Bonus Shares, 28 Day Accounts and Personal Deposit Accounts will also be increased by 0.75% from 1 February 1985. The new rates of interest at the Woolwich give savers and investors an excellent choice of top rates. On our 7 Day and 90 Day Accounts, penalty free immediate withdrawals can be made provided £10,000 or more remains in the account.

No wonder more and more people keep saying "I'm with the Woolwich!"

W
WOOLWICH
 EQUITABLE BUILDING SOCIETY

ECONOMIC VIEWPOINT

How to free more from tax

By Samuel Brittan

BRITISH residents start paying tax at levels of income which are extremely low both by comparison with other countries and by Britain's own historical standards.

Originally income tax was not supposed to be levied on the worker on average earnings. Even by 1949 a single person did not start to pay tax until he earned 59 per cent of average male manual earnings. By 1981-82, the threshold of which he began to pay was down to 18 per cent of average earnings for all occupations. A married couple had, in 1949-50, a tax threshold of 62 per cent of average earnings, which had fallen by 1981-82 to 28 per cent.

It is, therefore, hardly surprising that the Government should have given priority to raising tax thresholds. But this is a very expensive process—and by the 1984 Budget they still stood at only 21 per cent for a single person and 38 per cent for a married man. Ministers have given several indications that they want to press on in the same direction as far as the fiscal position allows.

Despite its obvious attractions, many economists regard raising the tax threshold as a very bad and expensive method of attacking the poverty and unemployment traps. These traps refer to the interaction of the tax and the social security system, under which some people are little, if any better off if they take a better paid job or move from the dole into work.

This article does not attempt to resolve this particular argument. Irrespective of the poverty and unemployment traps there would be widespread agreement with the proposition that too many people on low incomes pay tax and that the tax threshold should, if possible, be raised as a proportion of average incomes.

The normal method of raising tax thresholds is to increase the personal tax allowance—the amount of income not subject to income tax. But even from the point of view of "taking people out of tax" it is highly cost ineffective. There are some practical and non-revolutionary improvements, which really would make the process more effective.

The problem with just raising allowances is that the greater

part of the benefit spills over to those who are well above any conceivable tax threshold. If the present tax allowance is raised with the object of taking the poor out of tax, the benefit spills over to the skilled worker earning, say, £12,000 per annum and the top executive earning £100,000—and the latter will gain more even if there is no change in the higher rate thresholds.

Yet there is a simple method of improving the distributional effect by making use of a system already in use with another tax allowance, namely the Age Allowance. The system is known as "clawback".

The age allowance for a single person is now £290. Up to earnings of £2,100, the age allowance works like any other. But from then it is reduced by two thirds of each extra pound of income until it reaches £3,825 which is the ordinary allowance for people below 65.

In between £2,100 and £3,825 the single pensioner pays a marginal rate of 50 per cent in the pound on each additional pound of income. Some 30 per cent is the basic rate of tax and some 20 per cent is the effect of tapering off the age allowance, which thereby is prevented from benefiting the relatively better-off pensioners.

What would be the effect of applying the clawback principle to the ordinary personal allowance? Andrew Dilnot of the Institute for Fiscal Studies has kindly provided some estimates, although neither he nor the Institute is committed to the idea as a policy proposal nor to any inferences I have drawn. The estimates are based on 1984, but should not be too far out for 1985-86, which is when Budget changes would normally come into effect.

Consider a 30 per cent increase in personal allowances, which would take the single person's allowance to £2,670 and the married allowance to £4,050. If enacted in 1984-85, it would all have been "real" (past inflation having been provided for in the last Budget) and have taken 1.3m people out of tax. But the cost would be around £4.3bn. This is far above any estimate of what the Chancellor might have available, unless there is an unexpectedly draconian increase in indirect tax or

PERSONAL AND AGE ALLOWANCES

Single person £pa		
Income	Under 65	Over 65
Up to £1,100	2,005	2,490
£1,100 to £2,225	2,005	Reduced by two thirds of each extra £1 of income
Above £2,225	2,005	2,005

HOW MARGINAL TAX RATES VARY

Couple with two children, single earner		
Weekly income above	Now	Assuming 30 per cent rise in allowance plus clawback
£30	9 (78)	9 (78)
£55	29 (106)	9 (78)
£80	29 (106)	29 (106)
£100	39 (177)	39 (177)
£140	39	39
£160	39	39
£185	39	39
£230	39	39
£270	40	40
£400	40	40

Note: Main figures apply to income tax and employee's NI contributions. Figures in brackets incorporate effect of loss of social security entitlements as income rises.

Source: IFS

tightening up elsewhere in the system.

Now assume that, as for pensions, clawback starts to apply at an income of £2,100 per annum, which is not far from the average wage and is also the level at which eligibility for housing benefit expires. If clawback is applied, the increased personal allowance will be reduced by two-thirds of each extra pound until roughly £3,000 is reached for a single person and £3,500 for a married person.

The increase in the personal allowance will not affect 30 per cent of families, because their income is too low. The remaining 70 per cent can be split into a group of about 40 per cent who gain something from the higher personal allowance, and 30 per cent whose incomes are above the level at which the increased personal allowance is exhausted by clawback.

Thus, we arrive at an approximate ratio of four-sevenths, which represents the cost of tax thresholds combined

with clawback, compared with the straightforward conventional increases. Applying it to the hypothetical 30 per cent increase in personal allowances, the cost comes down from £4.3bn to about £2.5bn. This is still very much at the top end of the Chancellor's margin, but it is at least within the realm of possibility, especially if he makes some moderate revenue-raising changes elsewhere.

As there is no more a free fiscal bonus than a free meal, one must ask: what are the costs of using clawback? Obviously those on above-average incomes will fail to gain, which is the intention. But another cost, shown in the second column of the table, is that there will be a temporary rise in marginal tax rates (including National Insurance) to 59 per cent in the earnings range of £160 to £185 per week.

This is not in my view a fatal argument. Some 8 per cent of families would actually be paying this rate on increments to income, but the band is suffi-

ciently narrow to give the sort of person who has the opportunity of varying his hours or his effort a reasonable prospect of rising out of this band.

Even with clawback, too many people will still be liable to tax, and the impact on the poverty trap slight. There would still be families paying tax but poor enough to be eligible for Family Income Supplement. One of the problems is that most of the families paying tax, but eligible for benefit, have one breadwinner and several children, while increases in allowances benefit every kind of taxpayer.

There is a way of concentrating the concession where it is most needed. This would be to reform the allowance system, under which single earner families do relatively badly. At the moment, a married couple with one breadwinner receives only the married allowance of £3,155. But if the wife works she also receives an ordinary personal allowance of £2,005, making £5,160 in all. Why not give every adult an average of these two sums, which would amount to say £2,600, but make it freely transferable from one spouse to another?

Thus, in a family with a single breadwinner, the allowance would be effectively £2,600 and it is here that the tax concession would be concentrated. The two-earner family or single person would gain little, but would not lose. The cost of such transferable allowances would be some £3bn, and 2m-2.5m working people would be taken out of tax. Nearly half of these would be heads of single breadwinner families and about 30 per cent would be single parents (who would receive a double allowance). Many recipients of Family Income Supplement would no longer pay tax and there would be some discernible effect on the poverty trap.

The cost here—apart from the deliberately distributional twist—is that there could be a disincentive to working wives. For it would be sensible family tax planning for about 2m working wives to transfer their allowances to their husband, which would mean that they would start paying tax on the first pound of their incomes. The disincentive is not overwhelming, and there may be a short-run case for concentrating job increases on the main breadwinner rather than on women

working part-time as has been the case recently.

Arithmetically, a personal allowance, which can be transferred from the non-working spouse to the working one is equivalent to a "home responsibility allowance," which some women's organisations may favour, but others detest on "feminist grounds"; and this is not an argument into which I wish to put my head at any price.

My purpose is simply to mention the transferable allowances as an alternative (or addition) to clawback, and to note that there are then at least two methods of raising tax thresholds which are more cost-effective than simply increasing allowances. As the Chancellor will, in any case, be opposed by those who regard raising tax thresholds as a false priority, he might as well incur their wrath for a major rather than a minor gain.

Any practical recommendation must allow for the fact that the Chancellor will not be able to judge how much, if at all, he has available for net tax relief until a few days before the March 18 Budget. But he can decide much earlier about tax switches, that is extending VAT or taxing the special interest groups more effectively, to raise money for other purposes.

In my view, the proceeds of revenue enhancement should be earmarked for measures of a job-promoting kind, by which I mean not infrastructure spending, but adjustments to employers' National Insurance contributions, community programmes and so on. The Chancellor should then devote any net tax relief which the economic and budgetary position makes possible to increasing thresholds by one or other of the ways discussed in this article. So long as the ground has been prepared, the decisions on amounts can be made at the very last moment.

Jobs, pay, unions and the ownership of capital

A booklet containing reprints of Samuel Brittan's recent articles on these subjects is now available from Nicola Bamham, Publicity Department, Financial Times, London EC4, price £1.50, including postage.

Lombard

Where leisure is not enough

By David Lascelles

HARD as it may be to summon up much sympathy for an oil-rich state these days, the predicament of one of the wealthiest of them, Kuwait, contains if not a moral then at least food for thought.

Kuwait's problem, quite simply, is that it needs something to do.

After a bustling couple of decades in which it has crisscrossed its tiny territory with six-lane highways, installed modern telephone, water and power systems, and built all the schools, hospitals and hotels which could ever be needed, the development phase is over. But what happens next?

Apart from oil, which virtually runs itself and employs very few people, there is precious little local industry that does not in some way owe its existence to the creation of the infrastructure. An active banking sector could form the nucleus of a financial centre for the Gulf, and some people see a future in that. But there is nothing which could remotely be described as the basis of a flourishing non-oil economy in which the local inhabitants could participate and profit. And this is a problem which the government as it tries to prepare a new five-year plan.

Rentier state

The beguiling answer is that, perhaps, Kuwait does not need to do anything at all. With the yield on the \$75bn it has already saved from oil, plus annual oil income of over \$10bn, the Kuwaiti government could probably distribute \$10,000 a year to every man, woman and child which would relieve most families of the need even to work again (even supposing they are not already rich enough to live a life of total ease).

The notion of a "rentier state" whose citizens would, like 18th-century aristocrats, live off the fat of the land, has not been completely dismissed. Some people have pointed out

that the Kuwaitis are particularly well suited to it: with their Bedouin heritage they enjoy few things more than taking a tent out into the desert end camping there for weeks on end, chatting and drinking tea.

For those with more modern tastes, the government has built Entertainment City, a kind of Disneyland north of Kuwait town; the highways themselves provide a pastime for people with a taste for fast cars. And some Kuwaitis already spend a good part of the year roaming the world in jet aircraft, staying in their villas in Europe and the U.S.

Spiritual rebirth

But while Kuwait could probably afford the path of luxury, an indolent existence holds little appeal and probably contains great dangers. Boredom is already endemic and may account for two of the most striking things to have happened there in recent years: the rebirth of interest in things spiritual (as epitomised by resurgent Islamic fundamentalism), and the Soukh al Manakh stock market, which was seen by most Kuwaitis as a form of entertainment until it crashed leaving losses of billions of dollars.

One of the leading banks has two retired Kuwaiti businessmen on its board: both are under 35 years old.

The rentier state would also aggravate the potentially troublesome distinction between Kuwaitis and immigrants who do much of the domestic work—and outbribe them. In fact it would probably be a recipe for social disaster.

It is a painful dilemma the government faces, particularly since conventional answers like starting up new industries would be pointless so long as Kuwaitis feel no spur to work. Assuming that the best answer (total self-denial of oil revenues to force the country to earn its livelihood) is not on, Kuwait like 18th-century aristocrats, may well be on its way to becoming the first state whose economy is just one great big leisure industry.

Subsidising the motorist

From the Executive Secretary, Federation of Petroleum Suppliers

Sir—More alert readers will already be aware that twice in little more than a week the major oil companies have extracted their pound of flesh from the long-suffering oil user by imposing a cumulative increase of 10p per gallon on industrial heating oils and commercial diesel.

Ignoring the duty element which represents the Government's generous offtake, these increases represent approximately 13 per cent. What is even more interesting, when one studies the cost of petroleum products, it is that at present industry and commerce appear to be subsidising the sacred motorist to the tune of 15p per gallon.

That is no doubt as it ought to be in a car-owning democracy. But as Dr. Pierce Jungles of Petroleum frequently argues, judicious price discrimination of this kind would be more difficult if there were fewer hidden subsidies. And who—apart from the oil companies—organisations that are to ensure that the motorist himself does not become an unwitting milch cow one day?

E. J. Rowson, 24, First Floor, 500 Manchester Road East, Worsley, Manchester.

Market views of sterling

From Mr P. Wing
Sir—I refer to the article by Samuel Brittan (January 19) entitled "Behind the fall in sterling." To one who has been in the exchange market approaching 20 years, Mr Brittan has hit not one but several nails on their heads. Political and financial pundits in the UK tend to forget, if they ever knew, that there have nearly always been two market views of sterling, one domestic and one overseas. Since the second world war the overseas view has nearly always been bullish. How right that view was. The debacle of the 1967 devaluation was perhaps an outstanding example of how not to manage a currency but there have been many smaller instances that have helped to buttress the, by now, endemic overseas view.

It is probably true that sterling tended to suffer the difficulties inherent in a reserve currency role long after that role had changed but the naive statements and hesitant action taken by governments over the years have only served to make matters worse. I remember in early 1976 being asked to comment on why sterling had collapsed through the US\$2.0 level. My answer as a trader was simple. How could you recom-

Letters to the Editor

mend your customers to buy when the rest of the world was selling? I may add only the International Monetary Fund package saved us that year.

I would concur with Mr Brittan on the apparent nonsense of giving publicity to the dollar/sterling exchange rate daily on TV and radio news. How many times have we heard that the pound plunged today on the currency markets? when in fact the real movement has been a stronger US\$.

Peter Wing, 24 Moleton Road, Singapore 1130.

The UK's policy on oil

From Mr O. Ahsan
Sir—I was amused to read in Mr Salmon's letter (January 22) that now it is the "threat" of lower oil prices that would seriously disrupt the international financial system. Does he really think the stabilisation of world commodity prices is desirable or even possible? Or that firm or weak prices are anything but a post facto rationalisation? The wheel has finally turned full circle when we are worried about the Organisation of Petroleum Exporting Countries being unlikely to forget the "perils" of the oil being responsible for lower oil prices. He seems to have forgotten the perils of Opec just over a decade ago.

If the lower prices of oil makes marginal fields uneconomical, so be it. The oil will still be in the ground, should the initiative move back to Opec. It is tempting for an oil producer to support an artificially high price of oil, but we must not be blind to the greater benefits that would flow to the rest of the world as a result of cheaper energy prices, particularly to the poor countries who import their oil.

Osman Ahsan, 7 Temple Fortune Lane, Temple Fortune Lane, N.W.11.

Extending the VAT net

From the Press Secretary and Head of Information Division, HM Treasury

Sir—Your leader on "Extending the VAT net" (January 21) was interesting and thoughtful. But I should make a factual comment on your last point. To impose VAT, as you suggest, on financial services

which are at present exempt would be contrary to EC law. Robert Culpin, Parliament Street, SW1.

Imports for repair

From the Director General, British Jewellery & Giftware Federation.

Sir—The outspoken comments by Mr Douglas Allen, shipping manager of Rolls-Royce Derby plant (January 10), were most welcome. The delay Rolls-Royce has suffered, and the consequent cost, most certainly are not.

The consequences of the proposed regulations in respect of repairs were brought to the attention of HM Customs and Excise well before their introduction, since we considered that there would be a substantial loss of business to our members who imported items for repair, and then re-exported them; there is also a loss to the balance of payments, and all the other consequential losses which occur when business activity is reduced.

Where small businesses are concerned, proving significant values is difficult. Nevertheless, the reduced business is real. A realistic view needs to be taken by the Treasury, and the sooner the better. M. B. Alton, St Dunstan's House, Carey Lane, E.C.2.

Cellular services

From the Chairman, Air Cell

Sir—As a result of a letter of mine which appeared on December 11 last, I have received number of queries from people who question that it is Government policy not to create jobs in the telecommunications field.

I am as astonished as the questioners, but the facts are clear. Maybe the Prime Minister is unaware that she is herself conducting a huge U-turn. Her civil servants in her name support a policy of non-competition and stopping new projects.

Apparently this is being planned in the cause of supporting the position of Cable and Wireless and Racal—what nonsense! Neither of the duopolies is organised to be able to supply the needs of the small business subscriber. Apparently this is hardly the real competition,

that we were promised, which was going to improve the phone service for the ordinary telephone subscribers.

Our company is practically and financially supporting the new cellular services which still have to rely on imported merchandise. An air-cell scheme has been proposed which would rely on 100 per cent British merchandise—for manufacture now—which would be complementary to the service for the ordinary telephone subscribers. We applied last August and are still waiting a response!

The Prime Minister should confirm she is in favour of competition. We believe, she should instruct her Ministers and departments that she wants all cartels dismantled and is in favour of full and fair competition, new opportunities and many more jobs now.

If not the Government might have to be prepared to face a flood of litigious companies in the European Court and virulent anti-trust action in the American courts. Such an outcome would make a poor finale to the successful abolition of BT and the heroic efforts of Sir George Jefferson to treat the competition even bandiedly. J. O. Stanley, 176-184, Vauxhall Bridge Road, SW2.

The banking scene

From the Vice Chairman, International Association of Islamic Banks

Sir—The fact that some Islamic banks this year faced difficulties does not mean that the Islamic banking movement has suffered a setback as stated by you in your report of January 18. By that token the failure of the banks in the western world should have resulted in the scrapping of the banking system by you.

You also admit that earlier the Islamic banks had been giving higher dividends. May I for your information add that the Islamic Investment Company of the Gulf, a DMI subsidiary has distributed dividends to the tune of \$120m. Muzammil Ali, 10 St James's Street, SW1.

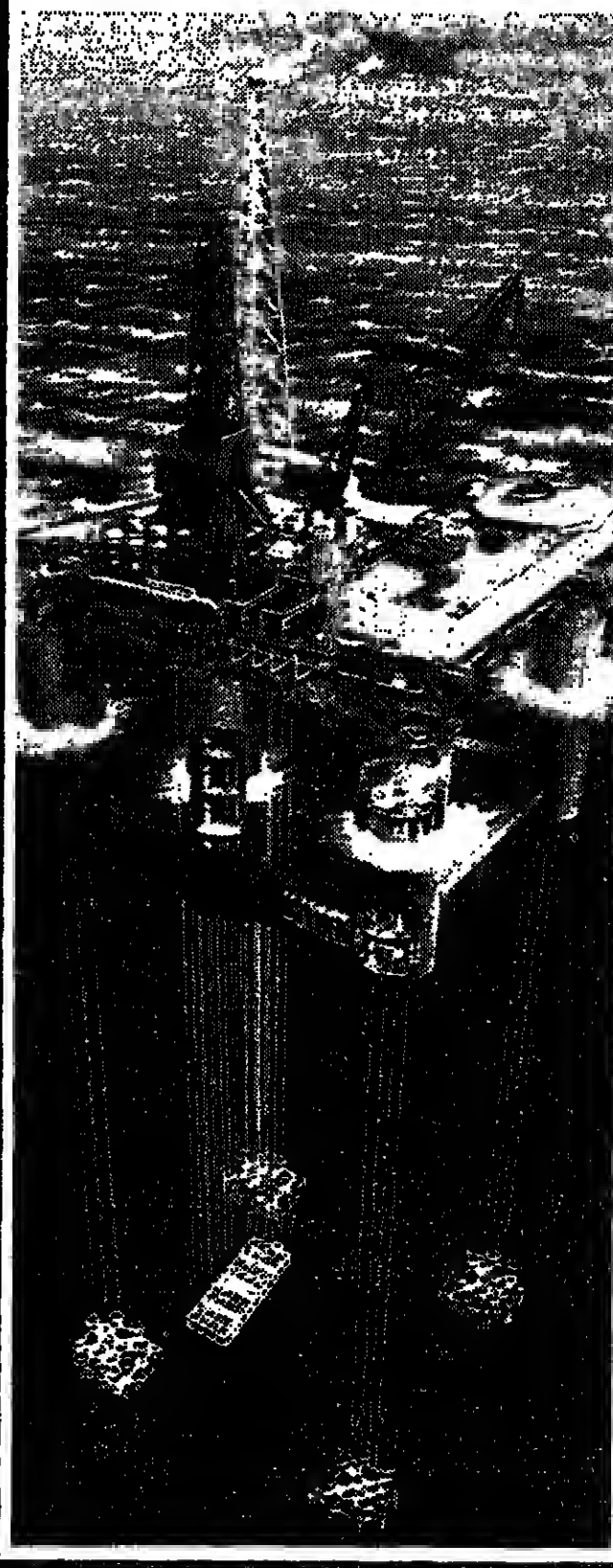
Interest rates

From Mr A. Ducker

Sir—It strikes me that Mr Davie-Thornhill (January 21) mis-states the purpose of interest rates.

Their true purpose is to channel scarce capital to where it will do most good. If inefficient activity is misguidedly encouraged by artificially low interest rates, it is hardly surprising when the result is the perpetuation of inefficient activity—quite the reverse conclusion to that drawn by Mr Davie-Thornhill. Alan B. Ducker, Donnybrook, College Road, Bath, Avon.

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We also built the remote control underwater vehicles that now carry out subsea trenching and cable laying under the seabed.

And we make the air-purification and oxygen production systems for the Navy's Nuclear Submarines.

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This terminal now processes 1.65 million barrels of oil per day — that's over 60% of Britain's oil requirements.

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Indeed, our offshore operations extend far beyond the North Sea; major engineering contracts have been carried out in the waters of the Celtic Sea, the Mediterranean and the South Atlantic.

But then, we are a company that is still going places, even if it's not in ships.

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omnipotence, (war)omnipotence, n. Informal - The art of cleverly outwitting one's competitors. Successful protagonists found in Scunthorpe, benefiting from grants, incentives etc. etc. (C19: from N. England dialect for gaining a significant advantage). For details telephone ... 0724 869494

FINANCIAL TIMES

Thursday January 24 1985

Balfour Beatty
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Air fares from UK to U.S. soar because of weak £

By Michael Donns, Aerospace Correspondent, in London

TRANSATLANTIC air fares from the UK are likely to rise this spring as a result of the decline in the value of sterling against the dollar. The dates of introduction of the higher rates will also vary, between March 1 and April 1.

Airlines that have already asked Britain's Civil Aviation Authority for increases include British Airways, British Caledonian and the low-fare operators Virgin Atlantic and People Express. Other big airlines, such as Pan American and Trans World Airlines, are expected to follow soon.

The rises follow a meeting of the International Air Transport Association in Montreal, at which it was agreed that the rises were necessary in the light of the growing strength of the dollar against sterling.

It is likely that European airlines which fly to the U.S. will be seeking increases in their own transatlantic fares for the same reason, although last year's confirmation of such action had been announced.

The Montreal meeting was continuing yesterday, with many airlines still trying to settle details of the new rates they wished to apply, and when.

The particular weakness of sterling against the dollar, however, has led some airlines to apply immediately to the Civil Aviation Authority for fare increases mostly from March 1, but in some cases from April 1.

Some airlines would have liked the increases even earlier, but administrative problems - such as notifying travel agents, and the substantial level of forward bookings for spring and early summer travel at the old rates - tended to preclude that possibility.

The British Airways increases - first applied for last year - range up to about 10 per cent but with an average of about 3 per cent. The economy single rate (London-New York) will remain unchanged at £233, but the Super Club single rate will rise from last summer's £496 to £512, or 3 per cent. The mid-week Advanced Purchase Excursion return will rise from £328 to £382, or 16 per cent. First class single fares will rise from £1,013 to £1,079, or 6.5 per cent.

Virgin Atlantic, the low-fare operator between Gatwick and Newark, New Jersey, is asking for a weekday single fare of £149, against last summer's £119 and the current £129. For summer weekends, Virgin is asking for a £159 single fare, against last summer's £129 and the current rate of £129.

People Express, Virgin's rival which also flies between Gatwick and Newark, is asking for a single rate of £154 economy class and £409 Premium (business) class, against the current £122 economy and £338 Premium class; increases of 26 per cent and 21 per cent respectively at current rates.

People Express says that its proposed new rates correspond to new U.S. rates of \$169 and \$450 respectively, at an exchange rate of £1 to \$1.10.

The airline says that its sterling denominated fares were last changed in August 1984 when the exchange rate, which last summer was \$1.41 to £1, fell to \$1.30 to £1.

Throughout the winter, as the pound has weakened against the dollar, People Express - in common with other airlines flying to the U.S. - has watched its yields decline and has now been forced to seek fare increases.

The reason is that most of the airline's expenses are incurred in dollars - the major items being fuel, U.S. administration costs including U.S.-based staff and aircraft purchase and leasing charges, and U.S. landing fees, navigation and parking and handling charges.

People Express said that its new dollar rates from the U.S. would be effective March 1, while the sterling fare changes would be "subject to the CAA's discretion."

Euro MPs secure legal backing in transport row

By Quentin Peel in Brussels

THE EUROPEAN Parliament yesterday won a crucial round in its battle to prove that the 10 member states of the European Community have contravened the Treaty of Rome by failing to agree a common transport policy.

Herr Karl-Otto Lenz, the Advocate-General of the European Court, said in Luxembourg that the Parliament's case against the Council of Ministers, begun exactly two years ago, was admissible. He suggested that the Council had failed in its duties because of its inability to move rapid progress in liberalising transport movements across EEC frontiers.

The formal opinion by the top legal officer of the Court is likely to form the basis of any final decision by the Court, although it is not itself legally binding.

The opinion was welcomed yesterday by members and officials of the European Parliament as an important victory in their efforts to speed up progress towards a genuine common market in the Community.

However, the Advocate-General stopped short of condemning the 10 for their failure to reach agreement on all the 16 separate transport measures cited by Parliament in its case. He singled out only five which should have been approved 12 years ago, all related directly to easing cross-border movement.

The action is regarded as a key test case in Community law, for it is the first time that one institution has challenged another with failing in its duties under the Rome Treaty. If it is successful in the final judgment, expected by the middle of the year, the European Parliament seems certain to use the same legal mechanism to urge progress on other issues.

Members of the Parliament claim their action was instrumental in forcing through the modest package of transport measures finally approved by the Council of Ministers in December, including a deal

on common weights and dimensions of lorries, and liberalising the quota restrictions on cross-border road haulage imposed by individual states.

"This is a definite step towards achieving a common transport policy in Europe, and it paves the way for the Council to take positive decisions to that end," said Mr Bill Newton-Dunn, the British Conservative spokesman on transport. "They can no longer shirk their responsibility. They must now adopt the measure to make a common transport policy a reality."

Officials in the European Commission warned, however, that the opinion did not provide any real compulsion to speed up the Council's work.

The Advocate-General has only condemned the Council for failing to enact measures which were supposed to be introduced in the Community's transitional period, which meant by the early 1970s, a senior official said.

He stoutly defended his own role in the failed negotiations. He insisted that he had told both the Council and the Parliament of his draft document for the New York meeting were different: Mr Denktash regarded it as a document to be signed, whereas President Kyprianou saw it as a basis for further negotiation before signature.

Nevertheless, he had decided to invite them to meet.

He described himself as a broker between the two sides, rather than as a mediator preparing a proposal on a take-it-or-leave-it basis.

His advice to the two leaders was to speak as little as possible and to avoid any decisions that might undermine the atmosphere. He said he had ideas on how to solve the impasse but could not for the moment talk about them.

Reuter reports from Nicosia: Earlier yesterday, the Cyprus Government said that it had protested strongly to the UN over what it described as efforts to blame the Greek-Cypriot side for the failure of the New York talks.

The projects have both received strong support recently from leading European industrialists, who are seeking to stimulate economic growth in Europe.

Food prices, one of the index's major components, rose by only 3.8 per cent in 1984, while housing went up by 4.2 per cent and energy costs fell by 1.9 per cent, the department said. Yesterday's figures followed Tuesday's report that inflation measured by the broader GNP implicit deflator rose by only 3.7 per cent last year.

● The average weekly earnings of U.S. workers increased a seasonally adjusted 0.8 per cent in real terms in December, Reuter reports.

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Nordic plan to step up co-operation

Continued from Page 1

ism in the face of severe domestic economic problems in individual Nordic countries.

Other measures agreed yesterday involving spending of around Nkr 300m over three years, include:

● Further steps to eliminate non-tariff barriers to trade in the Nordic region.

● Steps to stimulate tourism aimed particularly at the West German market.

● The creation of an Nkr 120m West Nordic fund for increased regional support in areas, such as Iceland, the Faeroe Islands, and Greenland; and

● The strengthening of the Nordic Industry Fund with plans for increased co-operation in research and development, particularly with computer communications and policy research.

The infrastructure investments announced yesterday do not include the so-called Scandinavian Link, the much-discussed plans for building road and rail links across the Øresund from Sweden to Denmark (an investment in excess of Skr 6bn at 1982 prices) and for a bridge across the Store Belt to link the Danish island of Zealand, where Copenhagen is situated, to Jutland and the European continent.

The projects have both received strong support recently from leading European industrialists, who are seeking to stimulate economic growth in Europe.

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UN chief confident of more progress on Cyprus

By Nicholas Colchester in London

SR Perez Javier de Cuellar, the United Nations Secretary General, said last night in London that he was already working on the next meeting between President Spyros Kyprianou and Mr Rauf Denktaş, the Greek and Turkish Cypriot leaders, and that he was in constant touch with both men.

Each side had blamed the other for the failure of talks at UN headquarters in New York which were designed to reach agreement on the future of Cyprus. The talks ended on Sunday.

SR Perez de Cuellar seemed confident, nevertheless, that further progress could be made. "I found that there was an interest in the two sides in finding a solution to the problem," he said, and insisted that he would keep trying until he solved it. He hoped that the next meeting would take place before the end of February.

SR Perez de Cuellar discussed the problem yesterday with Mrs Margaret Thatcher, the British Prime Minister, and with Sir Geoffrey Howe, the Foreign Secretary.

He stoutly defended his own role in the failed negotiations. He insisted that he had told both the Council and the Parliament of his draft document for the New York meeting were different: Mr Denktash regarded it as a document to be signed, whereas President Kyprianou saw it as a basis for further negotiation before signature.

Nevertheless, he had decided to invite them to meet.

He described himself as a broker between the two sides, rather than as a mediator preparing a proposal on a take-it-or-leave-it basis.

His advice to the two leaders was to speak as little as possible and to avoid any decisions that might undermine the atmosphere. He said he had ideas on how to solve the impasse but could not for the moment talk about them.

Reuter reports from Nicosia: Earlier yesterday, the Cyprus Government said that it had protested strongly to the UN over what it described as efforts to blame the Greek-Cypriot side for the failure of the New York talks.

The projects have both received strong support recently from leading European industrialists, who are seeking to stimulate economic growth in Europe.

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SECTION II - INTERNATIONAL COMPANIES

FINANCIAL TIMES

Thursday January 24 1985

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Profits surge 27% for United Technologies

BY PAUL TAYLOR IN NEW YORK

UNITED Technologies, the diversified U.S. defence, aero-engine and electronics manufacturing group, yesterday reported an 8 per cent increase in fourth-quarter net earnings and a 27 per cent jump in full-year net earnings to a record \$845m.

In the final quarter, United Technologies, whose Pratt & Whitney aircraft engines subsidiary, and an international consortium including Pratt, yesterday won a \$269m Pan-Am order for engines to power 28 Airbus Industrie jets, said it had net earnings of \$149.5m, or \$1.13 a share, (\$1.10 a share fully diluted) from \$138.1m, or \$1.06, (\$1.01 fully diluted) in the third quarter.

Fourth-quarter sales rose by 12 per cent to \$4.38bn from \$3.89bn in the year-earlier period. The final-quarter results helped lift full-year net earnings - already boosted by a \$48m non-recurring tax gain in the third quarter related

to accounting for domestic international sales corporations - to the new record. Full-year earnings for 1984 were equivalent to \$4.90 a share (\$4.70 a share fully diluted) compared with net earnings of \$509.2m, or \$3.97 (\$3.74 fully diluted) in 1983.

Excluding the third-quarter tax credit, net income last year grew by 15 per cent to \$568m on sales which increased by 11 per cent to \$18.33bn from \$14.67bn in 1983. At the end of the year United Technologies' business backlog totalled \$11.9bn compared with \$12.1bn at the end of 1983.

Mr Harry Gray, the group's chairman and chief executive, attributed the strong performance in the fourth quarter and full year to cost reduction programmes, increased productivity, and higher volume at most of the corporation's units.

Mr Gray said rapid expansion in the automotive and building con-

struction industries fuelled sales gains of Carrier air conditioning, equipment, Otis elevators, Essex Wire and Cable, automotive products, Immont's automotive paint operations and Hamilton standard electronic controls. United Technologies said sales of Mostek's integrated circuits fell slightly for the quarter but were higher for the full year.

At Pratt & Whitney, Mr Gray said commercial engines and spare parts sales increased over the year, offsetting a decline in military engine shipments.

Overall, in the final quarter the group, which ranks as the fifth largest manufacturing company in the U.S., said commercial and industrial sales were \$3.1bn, up 11 per cent from \$2.77bn a year earlier while government sales climbed by 16 per cent to \$1.3bn from \$1.12bn. For the full year commercial and industrial sales increased by 18 per cent

Ingersoll Rand profitable in quarter

By Andrew Baxter in New York

INGERSOLL-RAND, the New Jersey-based industrial, mining and construction machinery group, yesterday reported its highest quarterly profits since the first three months of 1982, continuing a strong turnaround from heavy losses incurred in the 1983 recession.

Fourth-quarter net earnings were \$23.2m, or \$1.10 a share, on sales of \$888.4m, compared with a loss of \$83.1m, or \$4.28, on sales of \$589.3m. The 1983 period included a \$88.8m restructuring charge.

For the year, Ingersoll-Rand reported profits of \$68.9m, or \$2.70, on sales of \$2.5bn compared with a 1983 loss of \$122.2m, or \$5.94, on sales of \$2.5m.

Mr Thomas Holmes, chairman, said the 1984 recovery resulted from an improved domestic economy and continuing efforts to reduce costs and break-even levels. The improvement in U.S. markets was most notable in the car industry, highway reconstruction and commercial and residential construction.

The engineered equipment segment maintained its 1983 performance despite slowness in energy-related markets. Restructuring improved Ingersoll-Rand's overseas performance, despite the strong dollar. Orders rose 12 per cent in 1984 to \$2.6bn.

Thomson unit buys 35% of Sopha Medical

By David Marsh in Paris

COMPAGNIE Generale de Radiologie, the medical equipment subsidiary of the nationalised French Thomson group, has taken a 35 per cent stake in the private diagnostic company Sopha Medical as part of a pooling of corporate interests in the nuclear medicine sector.

The Commissariat à l'Energie Atomique (CEA) the state atomic energy commission, which also has considerable medical and biology-linked operations, is also taking a 5 per cent stake in Sopha Medical to add to the new grouping's expertise. The accord is intended to link Sopha Medical's expertise in software with Thomson's developments in hardware - particularly its gamma camera - to increase competitiveness on international markets.

Nuclear medicine uses neutrons to produce artificial radioisotopes which can be injected into the body and traced with sophisticated electronic apparatus to diagnose and treat diseases.

The CEA has just announced that its medical equipment subsidiary, Oris Industrie, which registered sales of FFr 340m (\$35.1m) last year, including the activities of other CEA medical product divisions, Oris hopes to boost the figure to FFr 1bn by 1988.

JOINT-VENTURE COMPANY WILL HAVE ANNUAL SALES OF \$800m

Volvo-Clark deal goes ahead

BY KEVIN DONE IN GOTHENBURG

VOLVO of Sweden and Clark Equipment of the U.S. have signed a preliminary agreement to merge their construction equipment operations in a new jointly-owned company.

The 50-50 venture will have annual sales of more than \$800m in 1985 and a workforce of 7,500.

It will be the world's third largest construction equipment company after Caterpillar of the U.S. and Komatsu of Japan, and will be the world market leader in wheel loaders and off-highway dump trucks.

The deal represents a new attempt to consolidate important parts of the depressed U.S. and European construction equipment industries and create a competitor that can stand up to the two giants.

Earlier attempts at transatlantic co-operation in this industry, notably involving Massey-Ferguson of Canada, Fiat of Italy, J. I. Case of the U.S., and, more recently, IBH

VOLVO has launched a novel loan package in the Euromarkets comprising a \$150m five-year standby credit and a \$150m Euroroute placement facility. This package is designed to increase its flexibility in tapping both the U.S. commercial paper and the short term Euroroute market. Page 48

holding of West Germany, have been disappointing, but both Volvo and Clark are entering the deal from a strong financial position. Volvo is one of the few companies in this sector to have remained profitable throughout the recession.

A new jointly-owned holding company is to be formed with its headquarters in the Netherlands to take over the assets of Volvo BM, Volvo's construction equipment subsidiary, and Clark Michigan, the

construction equipment subsidiary of Clark Equipment.

Both Volvo and Clark are transferring assets worth some \$100m to the new company.

Mr Håkan Frisinger, Volvo managing director, said the two companies complemented each other well in both products and markets.

Clark Michigan has about 70 per cent of its sales in North America, where Volvo BM is virtually unrepresented, while Volvo BM has some 70 per cent of its sales in Europe and the Middle East, where Clark is weak.

The merger has been under study for about nine months, and the two groups hope to complete the deal during the spring.

No new name has been found for the venture, but it will use the established trade marks, Volvo BM, Michigan, and Euclid. It is planned that Mr Eric Johanson, managing director of Volvo

BM, will become managing director of the new company, while Mr Leo McKernan, executive vice-president of Clark Equipment, will become chairman of the board.

The board will also include Mr Frisinger and Mr James Rinehart, chairman and chief executive of Clark Equipment.

Mr Johanson said the merger would produce a "financially very strong unit with strong market positions in both Europe and North America. The construction machinery business is a world business and this will position us to compete still more efficiently in the world market."

Volvo's transfer of its holding in Volvo BM to the Netherlands could well run into political opposition in Sweden, and Volvo's trade union officials have already objected to the move, while supporting the general merger.

Reorganisation charge leaves Control Data 80% lower

BY OUR NEW YORK STAFF

CONTROL Data, the U.S. computer and computer products group, yesterday reported a 80 per cent decline in full-year earnings, partly reflecting the impact of a \$130.2m pre-tax charge, related to the group's decision in the third quarter to pull out of the IBM plug-compatible equipment market. After tax, the charge amounted to \$103.5m, or \$1.36 a share.

The Minneapolis-based group suffered its first quarterly loss in 10 years in the third quarter as a result of the charge. It returned to profitability in the fourth quarter.

posting net earnings of \$31m, or 80 cents a share, on revenues of \$1.34bn compared with net earnings of \$48.7m, or \$1.26, on revenues of \$1.25bn a year earlier.

For the full year, the group, which is involved in a major reorganisation and retrenchment programme, reported net earnings of \$31.4m, or 80 cents a share, compared with \$181.7m, or \$4.20, on revenues which grew 9.7 per cent to \$5.6bn from \$4.6bn.

Excluding the one-time charge, Control Data's pre-tax earnings from information services and prod-

ucts fell more than 62 per cent to \$57.1m from \$152.9m in 1983 "due in large part to lower profits from computer services and peripheral products," the company said.

Control Data added that higher pre-tax earnings from its financial services operations partly offset the decline in information services and products earnings. The financial services division reported pre-tax earnings of \$81.8m compared with \$80.7m in 1983, reflecting increased receivables outstanding, reduced credit losses and improved operating expenses.

Akzo and Shell agree on European deal

By Louis Rabin in Amsterdam

AKZO, the Dutch chemicals and fibres group, and Royal Dutch/Shell have reached final agreement on combining their consumer-product activities in Europe, after a year of negotiations.

Akzo has been keenly interested in reducing its dependence on the mature Dutch market as well as establishing a framework for further expansion in its consumer products operations. Akzo's consumer products division makes branded products in the areas of detergents and cleaning agents, health and body-care products and foodstuffs.

Royal Dutch/Shell, the Anglo-Dutch oil company, will take a 49 per cent stake in Akzo's consumer products companies, giving Akzo a 51 per cent majority and day-to-day control of the joint venture.

Amer acquires 33.5% interest in Marimekko

BY OUR FINANCIAL STAFF

AMER, the Finnish tobacco, publishing and paper group, has agreed to acquire 33.5 per cent of Marimekko, the retail and clothing company. The deal is struck at FM 40m (\$6m).

The offer is eventually to be extended to the rest of Marimekko's capital. The 33.5 per cent to be purchased by Amer represents 75 per cent of the voting capital of Marimekko.

For 1983, Marimekko's sales totalled FM 104m, with interior decoration accounting for 70 per cent and clothing the rest. Profits were FM 5m before tax. Its payroll totalled 435 employees.

Amer, which four months ago acquired the Korpiavaara group for FM 237m, had effective gross sales last year of FM 3bn with profits before tax of around FM 120m.

For the current year Amer's turn-

over, excluding any contribution from Marimekko, is estimated at FM 4.1m. Amer's profits are expected to be good, and those from Marimekko are said to be satisfactory.

The takeover of Korpiavaara, which imports and distributes cars, represented one of the biggest domestic acquisitions ever seen in Finland. Amer is listed on the London Stock Exchange.

The change of ownership at Marimekko will not affect the group's trading structure, it was stressed yesterday. Registered in more than 50 countries, Marimekko is perhaps Finland's best-known national trademark.

Amer said the purchase was a step towards furthering its operations in "high quality marketing. The deal added an additional layer of internationalism to the group, it said.

Massey ends involvement in Mexico

By Andrew Gowers in London

FORD MOTOR Company's tractor joint venture in Mexico, Fabrica de Tractores (FTA), has bought Massey-Ferguson's Mexican licensee Agrumak for an undisclosed sum.

The deal brings to an end Massey's involvement in the Mexican market and gives FTA, 40 per cent owned by Ford and 60 per cent by the government development bank, Financiera S.A., control of a tractor plant in Queretaro and an agricultural implement plant near Mexico City.

FTA, the leading tractor marketing operation in Mexico with about 40 per cent of the market, sells only one model there, the 6600 series agricultural tractor. Mr Robert Moglia, general manager of Ford's Michigan-based tractor operation, said the acquisition of Agrumak would enable it to introduce new products.

Hughes Tool shows signs of recovery

BY OUR NEW YORK STAFF

HUGHES TOOL, one of the world's biggest manufacturers of oil drilling bits, is beginning to recover from the slump in the world oil services industry. It posted a \$11.4m profit in its fourth quarter compared with a \$65.7m loss in the final quarter of 1983.

The upturn over the last six months, when the group earned a total of \$13.9m, was not sufficient to offset the first-half losses and for the full year Hughes posted a \$133.8m loss, which compares with a \$90.8m loss in 1983.

The 1984 figures have been depressed by a \$174.8m pre-tax write-off announced in mid-summer. The losses related to phasing out certain product lines and writing down fixed assets and inventories. At the time, Hughes also cut its quarterly dividend by 43 per cent.

The group's sales, which have

been falling since 1983, rose by 17 per cent in the final quarter to \$337.8m and for the full year sales are just over \$50m higher at \$1.2bn.

Minnesota Mining & Manufacturing (3M), the U.S. conglomerate, yesterday reported a slowdown in quarterly earnings growth after a \$12m pre-tax charge from the sale of a business in its electronics and information systems sector.

The charge, about \$7m after tax, left fourth-quarter net earnings at \$187m, or \$1.43 a share, up just 2.4 per cent from \$183m, or \$1.38, in the 1983 quarter.

Profits for the latest quarter, which follow an 11.2 per cent rise in third-quarter net income, take net earnings for the year to \$733m, or \$6.27 a share, from \$667m, or \$5.87, in 1983.

Sales rose from \$7.04bn in 1983 to \$7.7bn last year.

Earnings surge for Brazilian mining group

By Andrew Whitley in Rio de Janeiro

COMPANHIA VALE do Rio Doce, CVRD, the Brazilian majority state-owned mining and mineral processing company, generated a spectacular increase in profits last year, to 1,874m Cruzeiros (\$97m) at the average exchange rate after substantially higher global sales of iron ore.

Net profits surged 750 per cent before adjustment for inflation (234 per cent in 1984), one of the best results ever achieved by the company, which also owns and operates a large shipping fleet and the railway system in Brazil.

Gross sales revenue rose in 1984 to Cr 2,377bn (\$128bn), compared with Cr 510bn (\$26bn) at the exchange rate at the time the previous year. This was despite a fall in the world price of iron ore pellets, CVRD's principal products.

Strong gain for First Interstate

By Our New York Staff

FIRST Interstate Bancorp., the eighth biggest U.S. banking group, yesterday reported a 12.5 per cent rise in its fourth-quarter net income to \$74.8m and record earnings for the year of \$276.3m - an increase of 11.7 per cent in 1983.

The group's total assets rose by only 2.5 per cent to \$45.5bn over the year, and the rise in earnings was principally due to gains in both net interest income and other income.

Mr J. J. Pinola, First Interstate's chairman, says that earnings growth would have been greater "except for a still high, but declining, level of non-performing assets, combined with relatively high levels of provision for loan losses and charge-offs."

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January 1985

INTERNATIONAL COMPANIES and FINANCE

A new time bomb ticks under Malaysia's top bank

BY CHRIS SHERWELL AND WONG SULONG

EARLIER THIS month, as Malaysia's scandal-ridden Bank Bumiputra completed a major reorganisation and the names of those implicated in its massive Hong Kong loan losses were finally revealed, a new time-bomb was set ticking which many believe is potentially even more explosive.

It was started by no less a figure than Tun Hussein Onn, a former prime minister. He is now adviser to Petronas, the state oil company which last September was ordered to step in to rescue the government-controlled bank through a huge financial restructuring.

Malaysia's largest bank, he suggested in an interview, had followed lending policies at home which were as flawed as those of Bumiputra Malaysia Finance (BMF), the Hong Kong subsidiary which incurred bad loans totalling 2,260m ringgits (\$389,000m) to property developers, including the crashed Carrian empire.

Domestic loans, Tun Hussein declared flatly, were approved under doubtful security and improper guidelines, and the bank stood to lose hundreds of millions more. People now had to know not only about BMF but about the whole Bank Bumiputra setup.

Such blunt talk from Bank Bumiputra's largest shareholder hardly inspired hope for a revival of confidence in the bank, and underlines the depth to which feeling has sunk over the most sensational financial scandal since Malaysia became

fully independent in 1957.

To Tun Hussein, the embarrassment for the Malay people is acute. Here was one of the country's most prestigious institutions — set up to help indigenous Malays (or bumiputras), managed by Malays and a symbol of ethnic pride — lending and losing vast amounts of money through investments outside the country to Chinese property speculators. The intangible psychological effect has been to corrode Malay ambitions to match the corporate skills and achievements not only of the entrepreneurial and competitive Chinese community in Malaysia but also of the most successful businessmen in the go-ahead South East Asian region.

Leaving aside the incalculable political impact, the most immediate effect has been a loss of ground by Bank Bumiputra to its nearest competitor in Malaysia, Malayan Banking, which in 1983 halved to 50m ringgits the gap in terms of assets between it and Bank Bumiputra, whose assets slipped to 230m ringgits.

Tun Hussein believes people should have been told much more much sooner and argues that a Bank Bumiputra inquiry with wider terms of reference and stronger legal powers would have exposed its domestic debts problem as well.

Tun Hussein has not specified the precise size of Bank Bumiputra's bad debts, but they are bound to involve more people — not only domestically influential borrowers but more



Tun Hussein Onn

bank staff too — so the reverberations could be widespread. There is no suggestion whatsoever that the bank could be in trouble. The central bank has just tightened regulations concerning the way unserved debt

is recorded in bank books, and this is expected to hit most banks in Malaysia. But the regulations are still liberal and the rules on provisions for bad debt remain very lax by international standards.

The Government has in any case always said it will stand behind Bank Bumiputra, and this is still widely accepted since the Government simply cannot afford a collapse. Indeed, the bank is probably more solidly based and better poised to make a profit than ever before as a result of the past few months' changes.

The most important of these was the September financial restructuring. Under this Petronas bought the 86 per cent stake in the bank held by Permodalan Nasional Berhad, the state investment holding company for 933m ringgits and made a 300m ringgits capital injection. It also took over 1.16m ringgits of the bad Hong Kong debts while another 10m ringgits was written off altogether. Paid-up capital, which had plunged to 47m ringgits at the end of 1983, is now 1,376m ringgits.

Three and a half months after this restructuring, at the turn of the year, members of the old board were removed and replaced with a new team headed by Tan Sri Haji Basir Ismail, an experienced manager who heads the state rice authority and chairs several public corporations.

He has acted quickly, freeing all lending by the bank's foreign branches, ordering a scrutiny of the domestic position and promising to steer the bank back to its original objectives of helping to promote a progressive Malay business class. Though speculation is now rife over whether the domestic

loans problem could lead to more trouble, it should not mask what has been achieved so far, to the surprise of many who have expected a wholesale cover-up of the scandal.

The committee of inquiry, though only an internal private investigation confined to BMF's loans and with no powers to subpoena witnesses and documents, has played its hand so skilfully that, with the help of a groundswell of public pressure, the cabinet actually released the public the committee's findings of prima facie corruption involving BMF officials.

It is still an open question whether these people will be brought to trial; even if they are it will take considerable time for the police to conduct their own investigations.

Ordinary people meanwhile still presume that the BMF officials were not acting alone, and that the scandal reaches to high levels of Malaysia's political establishment.

With Tun Hussein's revelations about possible domestic problems, the scope for still further damage has almost certainly been widened. On the other hand, Tan Sri Haji Basir's brief comments so far on the task he faces have spelled out more to the Malaysian people in days than his predecessor managed in more than 18 months.

What is certain is that every one is learning a singularly painful lesson from the scandal, and that, for Bank Bumiputra, life will never be the same again.

General Foods hit by strong dollar in third quarter

BY ANDREW BAXTER IN NEW YORK

GENERAL FOODS, the U.S. foods group whose products include Maxwell House coffee and Birds Eye frozen foods, yesterday posted a further fall in quarterly earnings. The decline was the result of the continued strength of the dollar and lower profits from powdered beverages and processed meats.

Net earnings for the third quarter ended December 29 fell from \$66.7m or \$1.28 a share, to \$49.9m or \$1.06. The earnings decline also reflects the absence of income from divested pet foods operations; but the effect on earnings per share was offset by share repurchases which reduced the number of shares outstanding.

For the first nine months, net earnings from operations slipped from \$199.8m, or \$3.94, to \$181.8m, or \$3.87.

A gain on the sale of the pet foods business, offset by a provision to restructure some international operations, lifted final net earnings for the latest period to \$220.2m, or \$4.63.

Sales rose from \$8.4bn to \$8.7bn in the nine months, and from \$2.1bn to \$2.2bn in the third quarter.

Mr James Ferguson, chairman and chief executive, said the first three-quarters of the year had proved more difficult than expected. The company expected volume and growth in earnings per share to be good in the final quarter, traditionally General Foods' strongest. Earnings per share for the year are expected to be higher than last year's \$4.10, which came from net profits of \$317.1m.

RCA continues strong recovery in last quarter

BY WILLIAM HALL IN NEW YORK

RCA Corporation, the U.S. electronics and broadcasting group, continued its strong recovery in its final quarter with net income rising 37 per cent to \$102.8m, helping push full-year earnings 50 per cent higher to a record \$341m.

The 1984 results topped the previous earnings peak reached in 1980 and demonstrate that the group has almost fully recovered from its recent earnings problems and is benefiting from the extensive reorganisation instigated by Mr Thornton Bradshaw, who will shortly hand over the chief executive's role to Mr Robert Frederick, RCA's president.

Full-year earnings per share are 71 per cent better at \$3.30, sales rose 13 per cent to \$10.1bn and record profits were reported by broadcasting and electronics after excluding the special videodisc provision. The group's 1984 earnings included a \$175m special provision (\$94.5m or \$1.15 per share after tax) for restructuring the videodisc operation, and a \$75.7m benefit from the cumulative effect of a change in the method of accounting for investment tax credits.

Mr Bradshaw said that the results "reflect a resurgence in the company's core businesses after a period of retrenchment and redeployment. RCA's balance sheet and overall financial condition are the strongest in recent years, and the company is well poised for future growth."

Broadcasting earnings (NBC) set a new record in 1984 for the second year running, with profits rising 40 per cent on a 13 per cent sales gain.

Earnings from the electronics segment (excluding the videodisc provisions) were boosted by the consumer electronics, solid state and government systems divisions. This year of RCA's business also benefited from the slimming down of the loss-making videodisc operations and reduced losses for its broadcasting systems division.

Sales of colour televisions and video cassette recorders were a record for the year, but severe price competition, particularly in the second half, continued to adversely affect operating margins. The Hertz car rental operation achieved record revenues, but earnings, after an accounting change for investment credits, were unchanged.

The Dow concern that 'trades money instead of polythene'

THE NAME of Dow Banking has been in the news in Switzerland in connection with the planned sale of Foreign Commerce bank. Dow Banking is acting as a corporate finance advisory capacity on behalf of an unnamed client, which wants to buy this Swiss subsidiary of the troubled Dea-Pereira group.

This transaction is typical for Dow Financial Services, one of the most ambitious diversifications of the Dow Chemical concern based in Midland, Michigan. By the end of this decade, it intends to have built up a substantial position in lucrative niches of international finance.

Dow Banking itself is 20 years old, having been set up in Zurich largely to cash in on the profitable opportunities offered by the then new Euro-market. Although it has always been controlled by the

chemical company, which today holds a 75 per cent stake with a minority quoted on Swiss stock exchanges, Dow Banking has never been a "house bank."

"We trade in money instead of in polythene — it's just a different product line," Mr Leslie Merszel, a former general manager, once said. Money has proved a much more profitable commodity than polythene. The Zurich bank, considered sophisticated and "serious minded" by its competitors, has done well for its shareholders over the years.

Nevertheless, when the group decided to expand in this sector, it set up a Delaware company Dow Financial Services Corporation (DFSC), with a management and co-ordination subsidiary in London.

The City, says Mr Merszel, today president of DFSC and chief executive of the London firm, is internationally more significant than Switzerland in the world of financial services, quite apart from such Swiss disadvantages as the high equity ratio requirements for banks.

Although Dow Banking is now controlled by DFSC, it will continue to operate as a major element of the DFSC group, expanding in such typically "Swiss" business as portfolio management and "serious minded" Swiss franc operations, as well as catering to private clients' needs. The sum of assets under management is planned to rise initially to some SwFr 2bn (\$676m) as compared with a balance sheet total of SwFr 2.57bn at the end of last September.

"Now it is unburdened by international business, the Zurich bank should be more profitable than ever," claims Mr Merszel.

Most emphasis, however, is being placed on the creation of a profitable merchant banking operation.

Already, merchant banking facilities exist and are ready for expansion in London, Singapore, Hong Kong and through a Thai affiliate. Following the liberalisation of banking laws there, DFSC now foresees a joint venture bank in Australia.

Closely linked to this is the group's ambition to become the "private banking concern with the best performance worldwide by 1990." Here, as in merchant banking, an important role will

be played by Arbuthnot Latham, a London bank in which DFSC holds a 32 per cent stake via London Stock Exchange member firms.

Private and specialist banking services are to be concentrated in London, where Arbuthnot Latham is to open a "tea-with-the-clients" branch in the West End — and on Singapore and Zurich.

Another target for expansion is fund management and securities dealing. This company from Dow Banking and its subsidiaries in Grand Cayman and Geneva, this will be carried out via an Arbuthnot Latham subsidiary and the London brokers Savory Miln. Dow Media already holds 20.8 per cent of the company and plans to take it over

completely on "big bang" day — when outside interests are to be allowed to hold full control of London Stock Exchange member firms.

By 1989, about 25 per cent of total DFSC earnings are to come from leasing and factoring. At present, DFSC's only direct U.S. presence is the Delaware address. Management is fully aware of the potential, however. Savory Miln has set up a New York subsidiary which in due course is to apply for a Stock Exchange seat, while the Delaware company is looking at the "low-priority" possibility of buying out a small American firm in the field of investment banking or fund management.

John Wicks General

Elkem plans London share listing

By Fay Gjester in Oslo

ELKEM, Norway's big metals, mining and manufacturing group, reports sharply higher profits for 1984 and says plans are being laid for a listing on the London stock market later this year.

Against a forecast of profits of Nkr 450m, profits for 1984 emerged at Nkr 500m (\$34.5m) on sales 30 per cent higher at Nkr 7.9bn. Net profits in 1983 totalled Nkr 158m, before extraordinary items.

The result has enabled Elkem to increase its dividend by Nkr 2.50 a share to Nkr 8.

Elkem plans to modify its accounting policies, in compliance with international accounting standards. As a result, the 1984 accounts will disclose large extraordinary items which, in total, will improve 1984 net earnings by a "significant amount."

Market conditions for products such as aluminium, silicon and ferro-alloys were favourable throughout the year, and restructuring also contributed to the improved result.

Elkem will seek a listing in London in May. Foreign investors own about 10 per cent of the company.

Elkem also announced yesterday that it had agreed with the Norwegian Ministry of Industry on revised terms for a merger of its steel-making operations with those of Norsk Jernverk, the state iron and steel concern.

An earlier agreement, reached in direct negotiations between Elkem and Jernverk, was vetoed by the ministry last month as unfavourable to Jernverk.

Big operating profits fail to lift Eastern Air

BY ANDREW BAXTER IN NEW YORK

EASTERN Air Lines, the struggling Miami-based carrier, last night reported a \$37.9m net loss for 1984 — its fifth consecutive annual deficit — despite a record operating profit in the last three months of the year.

Eastern, which last week backed down from a confrontation with trade unions over the extension of pay-cut concessions, made an operating profit of \$69m in the fourth quarter, up from \$50.9m in the previous three months.

But "unknown operating expenses" reduced final net profits to \$10.7m or 9 cents a share, in the latest quarter. This compares with a net loss of \$54.8m, or \$1.71 per share, in the 1983 period.

The 1984 net loss, equivalent to \$1.58 a share, compares with a deficit of \$183.7m, or \$7.19, in 1983.

The 1984 figures include a \$46.8m expense for the value of shares assigned to employees, while the 1983 loss took in \$121.4m from the sale of its benefits.

Revenues rose from \$984.6m to \$1.12bn in the quarter, and from \$3.94bn to \$4.36bn for the year.

Mr Frank Borman, chairman and president, said the airline was clearly on the right track. "The challenge facing us now is to maintain our momentum in this very competitive industry."

Eastern said last week it was restoring full pay to employees, having continued wage cuts of 18 to 22 per cent, agreed for 1984, into 1985. Some observers believe the climb-down will weaken Mr Borman's position in pay talks, in which both sides hope to reach agreement by January 31.

While Eastern's operations have improved, it faces a renewed bout of intense competition on domestic U.S. routes. Most analysts believe further wage restraint will be necessary this year if the airline, with its heavy debt load, is to post lower full-year losses.

Investor group set to buy Asuag stake

By John Wicks in Zurich

TALKS between a group of private investors and leading Swiss banks on the purchase of a stake in Asuag-SSIH, the country's biggest watch company, may lead to an initial share deal in the next few days.

According to Swiss Bank Corporation, the first transaction is likely to involve shares with a nominal value of some SwFr 10m to SwFr 20m (\$7.5m). The consortium is led by Mr Nicolas Hayek, the business consultant whose report helped bring about the merger between Asuag and SSIH and the corresponding bank rescue programme. The investor group also intends to draw up an option agreement with the shareholding banks for the gradual purchase of up to 51 per cent of Asuag-SSIH's outstanding shares. These currently have a nominal value of SwFr 400m. Further investors are expected to join the consortium.

Although no 1984 figures are yet available, it is considered possible that Asuag-SSIH might show a profit for the year. In calendar 1983 there had been a consolidated loss totalling SwFr 172m.

INTERNATIONAL PROPERTY REVIEW THE FT EVERY FRIDAY

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Subscription Share Accounts	8.50%
Deposit Accounts	7.25%
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The rate of interest charged on repayment mortgages for new owner occupier borrowers is 12.875% from 21 January 1985.	
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INTERNATIONAL COMPANIES and FINANCE

Brother Industries lifts sales and profits

BROTHER INDUSTRIES, Japan's leading typewriter maker, lifted parent company net income for the year to November 20 by 5.9 per cent to ¥8,760m (\$59m). Sales rose by 16.3 per cent to ¥187,210m and profits before tax were ¥17,470m around ¥4bn (\$16m), only 2 per cent from Tokyo.

Earnings per share rose to ¥34.38 from ¥34.09, but the company has lowered its dividend total to ¥10 from ¥12.50 by cutting its final payment to ¥5 from ¥7.50.

Sales of office machines jumped by 33.3 per cent to ¥84,200m and those of sewing machines by 16 per cent to ¥52,120m but sales of home appliances fell by 9.7 per cent to ¥51,890m.

For the current fiscal year, the company projects net income up 2.8 per cent to ¥9bn, or ¥35.33 a share, recurring profits up 5.9 per cent to ¥18,500m and sales up 12.2 per cent to ¥210bn. The dividend total is expected to be unchanged at ¥10.

During the year, exports climbed by 31.2 per cent to ¥14,290m, or 61.2 per cent of the total, while domestic sales declined by 1.3 per cent to ¥72,610m.

Brother Industries is unlikely to enter local production in Europe, Mr. Kazuaki Kawasima, its president, said yesterday, adds Kyodo from Nagoya.

Mr. Kawasima was answering questions on the company's strategy to get around dumping duties levied on Japanese electronic typewriter exports by the EEC.

Brother last year exported typewriters to the EEC worth around ¥4 (\$18m), only 2 per cent of its total sales.

EEC officials have alleged that Japanese makers are dumping their products in the Community at less than Japanese domestic prices, and in December a provisional dumping duty was placed on electronic typewriter imports until the end of March, pending an investigation.

Japanese makers are now negotiating with EEC officials but no conclusion on the allegations has yet been reached, Mr. Kawasima said. He ruled out local production in Europe by Brother Industries if the dumping allegations are upheld, saying it would be much better to work under a tie-up arrangement with European manufacturers. A tie-up arrangement would achieve better understanding, he said.

CSR plans A\$247m rights issue

SYDNEY — CSR, the diversified Australian resources and sugar group plans to raise A\$247m (U.S.\$200m) through a rights issue as part of its plans to restructure Delphi Petroleum, its oil and gas subsidiary.

CSR said 123.8m new shares will be issued on the basis of one share at A\$2 each for every three shares and convertible notes already held.

The company said that over the next 12 months it will restructure Delphi to give shareholders earlier access to the profits from its oil and gas production in the Cooper Basin.

When CSR purchased Delphi in 1981, it was financed through a trust, the Delphi Australia Funds with a U.S.\$950m loan package. CSR said that

U.S.\$875m of the loan has been drawn down to date.

The company said that the trust, because of accounting, legal and tax complications, restricts CSR's access to its full share of Delphi's profit before 1990. Higher spending on an accelerated exploration programme, it said, had reduced the tax effectiveness of the trust.

CSR said it plans to prepay half of the Delphi Trust debt with the proceeds of the rights issue and from internal cash flow including proceeds from divestment of assets.

The rest of the debt, it said, will be absorbed by the company and shown on its balance sheet. This debt will either be directly assigned to CSR or re-

financed by other means including, if necessary, drawing on unused long-term standby and other credits totalling more U.S.\$500m.

The additional profit from Delphi, said CSR, will enable the company to maintain its current dividend of 18 cents a share on the new shares barring any unforeseen circumstances.

CSR said that profit for the year ending March 31 is unlikely to exceed the A\$91.7m of the year before due to lower sugar and aluminium prices. Profit for the coming year, however, is expected to improve because of increased coal sales cost cutting, and continued good results from iron ore and building materials sales.

When it first purchased

Delphi CSR said that its share of proven and probable reserves in the Cooper Basin had increased to 26m barrels from 7m barrels. Its share of crude oil production is budgeted to increase to 3.7m barrels in 1985 will be made in two equal instalments, the first on acceptance by April 2 and the second by October 1. Rights trading will begin on February 11 and the offer will close on April 2.

The new partly paid shares will rank for half the interim 1985-86 dividend to be paid next December and thereafter will rank equally, CSR said.

The issue price compares with yesterday's closing share market price of A\$2.7.

Agencies

Rescue deal for China Cement

BY DAVID DODWELL IN HONG KONG

CHINA CEMENT, the loss-making Hong Kong cement manufacturer, has been rescued by mainland Chinese interests after protracted negotiations over the rescheduling of company debts amounting to about HK\$110m (US\$128m).

In a brief statement, the company said that Kaiser Cement of the U.S., which originally held a 40 per cent stake in China Cement, with Green Island Cement and Kiu Yip, each with holdings of 20 per cent, had agreed to sell their shares to shell companies set up by undisclosed Chinese interests.

One of the companies,

Brummen, will take 95 per cent of China Cement's shares, while the remaining 5 per cent has been acquired by Supreme Door, a shell controlled by the Hong Kong property group Cheung Kong.

It is understood that Brummen and Supreme Door will pay nothing for their shareholding but have agreed to assume responsibility for debts amounting to about HK\$970m. Under a loan rescheduling arrangement agreed yesterday, the purchasers will immediately repay bank creditors HK\$300m. The balance will be repaid in two tranches over a period of

10 years.

Kaiser Cement will continue for the time being to manage the China Cement plant, which is one of the most advanced in the world. It cost about HK\$1.1bn and began operating in 1983 when world demand for cement was deeply depressed.

Kaiser said last October that it had written off US\$55m of its stake in China Cement, and Green Island Cement has written off its investment in the company. The other major shareholder, the Chinese-backed Kiu Yip, is understood to be closely linked with the shell companies mounting the rescue.

Thai group falls foul of Mr Loo

By Wong Sulong in Kuala Lumpur

MR LOO CHENG GHEE, the Malaysian/Singaporean Kentucky Fried Chicken franchise holder, who tried unsuccessfully last year to corner the palm oil market, has told Chareon Pokphand, his Thai chicken supplier, that he will not renew a 20m ringgit (US\$8m) annual contract.

The move is the latest in a reorganisation of the business following a sharp drop in profitability.

Last week, using his family's 61 per cent control of Kentucky Fried Chicken (Singapore), a publicly listed company, Mr Loo dismissed Mr Kasemichai Yazawa as managing director.

On Tuesday, Mr Loo said that Chareon Pokphand's chickens were more expensive by 2 U.S. cents per pound, and smaller in weight than those from Holland.

He said he intends to get his supplies from other Thai exporters, adding that Thai chicken should be cheaper considering the lower transportation costs and a world glut. Chareon Pokphand pointed out however that the price and weight of the chickens were specified under the contract.

Following the dismissal of Mr Yazawa, Mr Loo, who is famous for his flamboyant management style, promised shareholders that Kentucky Fried Chicken would upgrade its services and serve tastier chickens.

Since Darby is to sell its 100 per cent-owned British subsidiary, R. G. Shaw and Company, for the equivalent of 64m ringgit at a profit of 32m ringgit, Bank Negara, Malaysia's central bank, has approved the transaction, AP-DJ reports from Kuala Lumpur.

More help for Philippines bank

MANILA — The Philippines Government is injecting more money into the financially embarrassed Development Bank of the Philippines (DBP) to enable it to resume its operations, the Monetary Fund for the dis-

President Ferdinand E. Marcos has issued a decree increasing the capital of the Government-owned bank from 10bn pesos to 50bn pesos (\$2.7bn).

The bank stopped providing loans last year because of difficulty in raising funds. The presidential palace said the bank was forced to stop its lending operations because of a high rate of defaults and delinquencies by its borrowers.

The bank's reserves and assets were estimated to amount to 54.9bn pesos last year. Recently it has begun selling all its acquired property, including hotels, textile mills and real estate amounting to more than

1bn pesos. Many of the companies up for sale are distressed firms owing money to the bank, the announcement said. The companies were taken over by the bank to protect its interests.

Under the decree, the bank's 50bn peso capital will be divided into 50m shares with par value of 1,000 pesos each and would be fully subscribed by the Government.

Mr Eduardo Cojuangco, a wealthy industrialist, has announced the dissolution of his government-created coconut milling company following accusations that it has monopolised coconut trading in the Philippines.

Mr Cojuangco said the decision to dissolve United Coconut Oil Mills (Unicom) which he heads, was prompted by criticism that the company had monopolised the export of coconut products and destroyed private incentives. It also followed a reported demand by the International

Money Fund (IMF) for the disbanding of monopolies in the Philippines as a condition for granting new credits to the country.

President Ferdinand E. Marcos, in a related move last week, authorised oil millers, subject to government rules, to export their products directly to the world market to maximise foreign exchange benefits. Unicom said the presidential action appeared to be "the response of Marcos to criticism here and abroad that Unicom is a monopoly."

Mr Cojuangco, a former Congressman and an ambassador at large in Marcos' government, is among the Philippines' wealthiest men and a longtime Marcos associate. He heads several other companies, including a bank which holds huge deposits from the coconut industry and the giant San Miguel Corporation, the nation's largest brewery and food processor. AP-DJ

Borg-Erickson Corporation

has been acquired by

The West Bend Co.

a business unit of

Dart & Kraft, Inc.

The undersigned initiated this transaction and acted as financial advisor to Borg-Erickson Corporation.

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January 16, 1985

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January 16, 1985

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Morgan House,
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January 24, 1985

Weekly net asset value



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on 21st January 1985, U.S. \$97.82

Listed on the Amsterdam Stock Exchange

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Dfl (Foreign Bond Issues)	7.20	7.08	7.20	7.01
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INTL. COMPANIES & FINANCE

ANZ Bank spends its money to widen its outlook

BY LACHLAN DRUMMOND IN SYDNEY

THE AUSTRALIA and New Zealand Banking Group has laid out more than A\$400m in the last year or so to bring together the components for its push towards the 1990s.

Chief among the group's moves was the recent A\$275m takeover of Grindlays Holdings, the London-based international bank which numbers among its interests the largest foreign-owned banking operation in India but, more significantly for the ANZ, a banking licence in Japan and a string of operations or branches in Asia, the Middle East and Europe.

It is this international spread, giving the group the ability to match or to better existing and potential competitors in the Australian banking market in trade-related financing, which was at the centre of the move.

The takeover has added about A\$8bn of assets to the ANZ, taking its year-end total to some A\$36bn. While increasing its exposure to risky Third World assets to somewhere around 4 per cent on the total, the new parent says that any trouble spots are well identified.

The ANZ took stern action at its September 30 year-end with its new subsidiary, charging slightly more than A\$100m as additional bad debt provisions to cover sovereign risks on Grindlays' books, and injected a similar amount of new capital directly into the Grindlays Bank subsidiary.

Since appointing an executive director and three other representatives to the Grindlays board, a review of Grindlays' operations has been undertaken. Steps are underway to integrate ANZ and Grindlays' offices in areas where they overlap—with the ANZ name likely to be adopted in North America and Grindlays through most of Asia.

A fully strategic plan on how best to harness the resources of the two banks has yet to emerge, although there is a particular interest in developing a larger presence in south-east Asia.

Mr Will Bailey—recently appointed managing director,

after the untimely death of Mr John Milne, stressed that the ANZ will not be chasing high risk business in less desirable countries. But he sees as inevitable a shift in the balance of business between its predominant Australian and New Zealand bases and elsewhere.

This will reflect in part the introduction of new banks in Australia, offering a loss of domestic market share to ANZ. Mr Bailey expects more than to make up through international expansion.

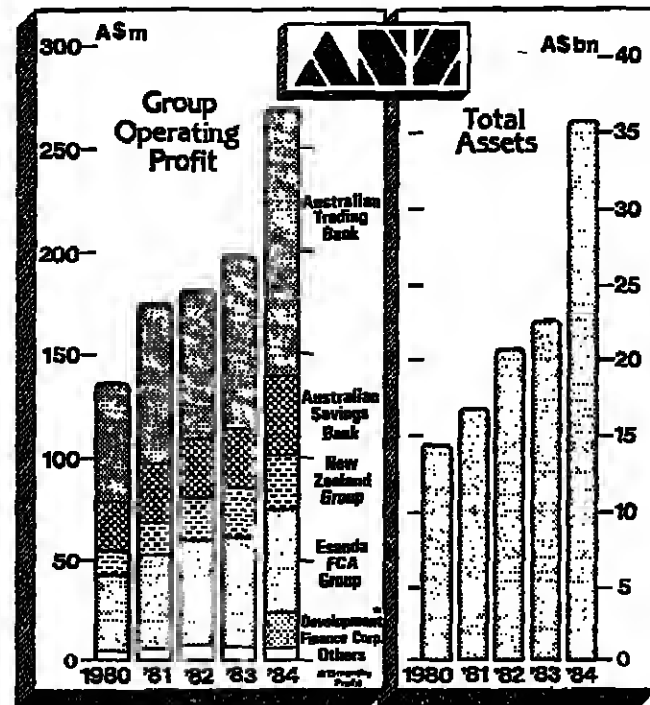
However, its home bases will still account for more than half of assets, while the international links are expected to help the Australian operations by differentiating the ANZ from its other banking rivals in an increasingly competitive market.

This internationalist approach is far from unusual for a bank which until 1976 was officially domiciled in London, and until the rapid expansion of London as an international banking centre in the 1970s, claimed, with then 1,000 staff, to have the biggest presence in the City outside the UK Big Four.

This overseas base for a domestic bank resulted in the ANZ building a dominant position in the trade finance foreign exchange area in Australia, a position it has maintained and where Grindlays' interests in the mid-east will give the bank a 24-hour trading capability.

Meanwhile, as the Grindlays move has served to enhance the ANZ's reputation as the bank most keyed into the business community, its other major developments can be seen as aimed most at the retail-consumer end of the market, where it has traditionally drawn a smaller proportion of business than have the rival Westpac, National, and Commonwealth banks.

The main step was the A\$92m takeover of Development Finance Corporation, which had as its chief operation the Australian Fixed Trusts group, which with A\$1bn under management holds the leading



position in the Australian property and unit trust industry with a roughly 30 per cent market share. All up, the ANZ now manages some A\$3bn of investment funds.

To this it has also added a trustee and executor operation and more recently a half share in a stockbroker, McCaughan Dyson.

The group now faces the task of fully digesting these new businesses, while at the same time knitting these diverse operations effectively with its traditional banking and finance business to ensure maximum benefits.

While developing this smorgasbord of financial products for its clients and customers, the bank is aware that its equally significant and costly steps in the development of electronic banking threaten to leave its customers outside on the pavement pushing buttons, rather than inside its 1,200 branches, receiving a soft-sell on services.

Overcoming this side effect of the plastic revolution is seen as one of its main challenges, and as the television screens already suggest, stepped up advertising from the ANZ—and its competitors—will form a large part of the answer, along with an emphasis on service once the customers have been enticed back through the door.

Meanwhile, the Grindlays takeover and the accompanying

A\$225m rights issue put a temporary crimp in the normal premium rating ANZ shares enjoy in the share market.

Although the foreign expansion is seen as a positive step for the ANZ, the immediate outlook of some dilution to earnings growth took some gloss from its relative performance.

Its high rating reflects the view that the ANZ is a little more profit orientated than its private rivals and more mindful of its shareholders.

For much of the last two years or so it has also benefited in investors' eyes from having missed out on the 1981 merger rush which cut private trading bank numbers from five to three, a step which until this year had generated more costs than benefits for the merged banks, serving to enhance further the ANZ performance.

For the year to September 30 just ended, the ANZ's net earnings were ahead from A\$197.9m to A\$269m, without any input from Grindlays. This total is expected to surge to A\$345m for the current year, as Grindlays recovers and Australia business advances.

By comparison, Westpac, the largest private sector bank, achieved net profits of A\$305m last year, and is expected to turn in around A\$355m for 1984-85.

Why Chicago thinking could be relevant to European competition policy

BY VALENTINE KORAH

EUROPEAN COMPETITION policy, originally developed on the model of U.S. antitrust, has largely ignored the change in the attitude of the U.S. enforcement agencies. Their policy has been strongly influenced by the thinking developed at the University of Chicago and based exclusively on considerations of economic efficiency, on better bargaining in the short term for consumers. Other aims of anti-trust are rejected as impossible to enforce objectively. Efficient small firms may survive, but should not be protected from more efficient larger firms.

The enforcement authorities for the European Community, UK and West Germany have always acknowledged efficiency as a goal; but have not developed the concept systematically and have not restricted their efforts to benefits to consumers. Their thinking has been influenced by other objectives—freedom of choice for consumers even where today's consumers are not prepared to pay for it, and by the social concern about small firms and the prevention of job losses.

One indication of the contrasting views is the different attitudes to barriers to entry. During the 1930s economists, especially from Harvard, perceived barriers as pervasive. The need for technology or capital would exclude newcomers. That view has been

its efficiency declines, others will be able to enter and compete. Apart from government regulation, the only barrier to entry unlikely to be eroded is a minimum scale of operation that is large in relation to the market.

If entry barriers are pervasive, existing firms with large market shares should not deter entry artificially by adopting rebate systems with which a small potential entrant could not compete, nor extend market power over one product by refusing to supply it without another (tied) product. In America, however, it proved difficult to distinguish competing on the merits by offering better value to consumers from improper exclusionary practices and in 1945 Alcoa was convicted of monopolisation for preparing for every increase in demand that there was never a shortage making entry easy. Evidence of excluding competitors artificially had been dismissed, so Alcoa was convicted for efficiently creating and meeting demand. More recent cases such as Kodak, IBM and Du Pont have given greater emphasis to the need to allow efficient firms to compete aggressively through innovation.

The UK Monopolies and Mergers Commission (MMC), like the European Community authorities, follows the older view and condemns rebate structures adopted by firms with large market shares, which could not be effectively copied by smaller suppliers. For instance, the MMC condemned the progressive rebates offered by Metal Box in so far as they could not be roughly justified by cost savings as making it harder for a competitor to enter the market. Markets for empty tins are small because of transport costs, and unless Metal Box's rival could open a can-making factory wherever its customers caused something, it would not be able effectively to match the progressive rebates offered by the established firm.

In Michelin, the Community authorities went further and condemned the only maker of heavy tyres in the Netherlands for offering incentive rebates to dealers who sold more Michelin tyres than in a previous year. Yet such discounts could have been copied by its competitors, large multinationals, and must

have encouraged dealers to attract new customers, increased thereby.

Even where entry barriers are high, the Chicago school denies that vertical restraints reduce competition. As Mr Aaron Director asked his students, why should a firm with market power over product X refuse to sell it without product Y? A customer wanting both products would be prepared to pay for X the value to him of both products, less the cost of acquiring Y. A monopolist of X would not be able to increase his monopoly profit by requiring customers to buy Y from him too. If he ties Y it must be for reasons that increase efficiency, and not to lever himself into the market for Y.

First, where there is no other source of Y technically compatible with X, it is recognised that tying is lawful. Secondly, tying may enable a monopolist of X to charge different prices according to the value placed by different customers on Y. Patents often charge licensees royalties and make more from licensees who practise the innovation intensively. To prevent licensees from cheating in the absence of a good metering device, one may require them to buy all of some component or raw material at a high price, share price collapse of Octo-

Thirdly, licensees may be deterred by the royalty from using enough of a patented input. Charging the royalty on the whole finished product may encourage them to use inputs in efficient proportions. It would be stupid for a patentee, to tie unless efficiency was increased thereby. To forbid contractual restraints that increase efficiency may induce suppliers to integrate downward by merger or growth rather than by contract, even when an independent dealer or licensee would otherwise be more efficient.

The judgment of the U.S. Supreme Court in *Continental TV v GTE Sylvania* illustrates modern U.S. thinking on vertical restraints. The Supreme Court recognised that, although vertical restrictions reduce competition between dealers in the same brand, "they promote interbrand competition by allowing manufacturers to achieve certain efficiencies." Retailers might not provide promotional services, such as

stocks and demonstrations, unless protected from other retailers nearby taking a free ride on their investment and undercutting them. Sylvania's scheme, whereby only a few retailers were franchised to sell its products in each locality was held not to be anti-competitive.

The enforcement authorities have gone further along the Chicago road than the courts, which still treat vertical restraints on price as illegal per se. Few vertical restraints, joint ventures or mergers that may increase efficiency are prohibited. Only naked cartels, likely to raise prices rather than reduce costs, are prosecuted, and substantial efforts are devoted to persuading government to regulate as little as necessary.

Despite contrary rulings by the European Court, the Commission habitually treats as restricting competition vertical restraints on licensees and dealers that increase efficiency, even when it later exempts them under Article 85(1) on the ground that, for instance, without an exclusive manufacturing patent license, a product could not have been introduced in Europe. If so, there was no competition to restrict.

The possible relevance of Chicago thinking based on efficiency presents the most important question for the development of competition policy in Europe.

Regulating as little as necessary

Europe. Even if the doctrine is not fully accepted, increased attention to efficiency is desirable, especially in relation to vertical restrictions. This is the most important challenge to the former Irish Attorney-General, Mr Sutherland, as he takes over from Mr Andriessen at the Commission in Brussels.

Valentine Korah is Professor of Competition Law at University College, London.

NEW ISSUE

January 14, 1985

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FT242

Dunlop holders in U.S. advised to sell to highest bidder

BY CHARLES BAYCHELOR

Dunlop Holdings may not be able to count on the support of its U.S. shareholders, who own 28 per cent of the equity, in its fight to remain independent of BTR, the broadly based conglomerate.

Mr Ronald Haave, a New York investment adviser with discretion over 7.3m shares—5.1 per cent of Dunlop's equity—said yesterday that the refinancing package proposed for Dunlop offered "no help" to U.S. shareholders since they could not take up the rights issue.

Frankly, "I would sell the stock to the highest bidder," Mr Haave said. "I am recommending to small U.S. shareholders they vote 'no' on the reconstruction proposal."

Dunlop is attempting to rally the support of its shareholders to fight off the BTR bid, which was launched last Friday. BTR has already bought a 28 per cent stake in Dunlop's preference shares which would allow it to block the \$142m refinancing package Dunlop intends to put to its shareholders on February 3.

U.S. investors, many of whom bought Dunlop shares last year in hopes of a takeover bid for the company, hold a total of 40.7m shares in Dunlop Depository Receipt (ADR) form. Most of the ADRs were issued by Morgan Guaranty, the U.S. commercial bank.

Mr Haave said this did not

mean he viewed BTR's \$33m offer for Dunlop's ordinary shares as adequate. Dunlop expected to reduce its debt by £150m from the sale of various assets and would carry with it £200m of tax losses, he noted.

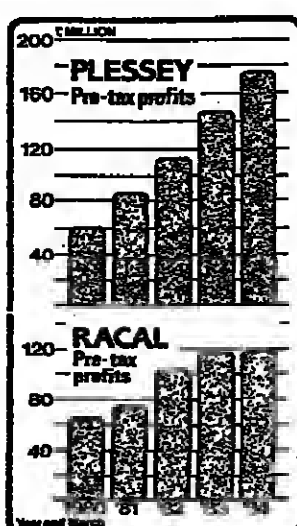
Dunlop had not registered its shares with the Securities and Exchange Commission in New York. This means U.S. shareholders could not accept shares to be issued under the 15-for-one rights issue which forms part of the refinancing package, Mr Haave said.

This would exclude U.S. shareholders from any capital appreciation in the shares or any dividends paid if Dunlop survives and returns to profit.

Mr Samuel, one of Dunlop's merchant banking advisers, said that U.S. shareholders would be able to sell in the market the shares to which they were entitled under the rights issue and benefit from any premium.

It described registering with the SEC as "an horrendously expensive and complicated business which is not a realistic aim at this stage."

Prof Robert Pritchard, spokesman for the Dunlop Shareholders' Association, which represents both U.S. and UK shareholders, said that if that issue could not be renewed then a bid could be more attractive to U.S. investors than the refinancing package.



Racal sees sharp profit fall

MAINLY AS a result of under-performance by Racal-Vadco, the directors of Racal Electronics have warned shareholders that profit for the year ending March 31, 1985 "will be much lower" than that previously forecast. Originally they were looking for profits to show a "good improvement" over the 1983-84 figure of £118m.

The forecast takes into account some £12m expenditure on the launch costs of Racal-Vadco's new product development and a general weakening in the demand for a new range of modern computer products. Consequently this company's sales for the full year are expected to be £1.16bn (£1.181m). The interim dividend is 0.77p (0.73p).

The integration of Chubb into Racal is proceeding and the directors remain confident that the long term future of Racal-Chubb is "very exciting." They are reviewing the operations and accounting policies of Chubb and when this has been completed will be in a position to make a statement on the profit contribution that can be expected.

Looking at the prospects for 1985-86, the directors say group sales overall should be of the order of £1.3bn. Chubb will be fully integrated with Racal's profit margins, while Racal-Milgo will continue to grow as well tactical radio, where the level of activity is very much higher than in some time. The performance from Racal-Vadco should improve considerably as the new range of products is introduced.

Racal-Vadco will make sales in excess of £30m and, as already stated, the trading losses will be £8m. In the last quarter of 1983-84 this operation is expected to break even and will then move into profit.

The Holdings' offshoot—established to handle the capital reorganisation in the wake of the secondary banking crisis of 1974—has been sold to the subsidiary First National Securities (Holdings) in respect of its 12 per cent convertible loan stock.

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Alexander Nicoll on the Monopolies Commission's verdict on bid for Booker

Four-to-one give Dee the green light

THE SRI Lankan Minister of Finance, the Highlands and Islands Development Board and the Butts Inn, Maldivos, all had their say in the Monopolies Commission's investigation of Dee Corporation and Booker McConnell.

All expressed their concern about aspects of Dee's proposed acquisition of Booker. But the Commission, focusing heavily on the effects of a merger on competition in the wholesale cash and carry food trade, determined that Dee should be allowed to proceed with its bid if it wishes to do so.

The panel's decision was by four votes to one, with strong dissent recorded by Mr Bernard Owens.

Central to its decision was an examination of whether the combined group's cash and carry prices would be increased because of reduced competition, and whether the merger of the "wholesaler" wholesaler and retailer interests would have detrimental effects. It also looked at the prospects for Booker's interests outside food distribution.

Taking Institute of Grocery Distribution (IGD) estimates, the Commission said the combined group would have 21 per cent of the total £2.0bn turnover of grocery cash and carry operators. Dee had 11 per cent in 1983, Booker 10 per cent, Nurdin & Peacock 14 per cent and Makro 10 per cent.

Other companies were a long way behind these four, but the panel also noted the existence of buying groups formed by smaller companies including Landmark which had 13 per cent of the same market and ICCG with 9 per cent.

Over 70 per cent of retail grocery turnover, however, did not fall within this market because it is supplied directly from manufacturers to retailers. Of the remaining wholesaler route, delivered trade, Booker has 15 per cent of a £2bn market and Dee has no presence.

Dee argued that the cash and carry market was £2.0bn to £2.5bn, including fresh and frozen foods and some non-food products. While apparently not embracing argument, the Commission did accept that the IGD estimates overstated Dee's and Booker's national market shares, since many retailers use more than one source of supply.

Assuming a higher market than the IGD estimate, the Commission said the merged company "would be the largest supplier

in grocery wholesaling nationally, but its market share would not be such as to give it a dominant position."

Examining regional and local concentrations of Dee and Booker regional cash and carry depots, the Commission said the merged company would have its strongest positions in the North, East Anglia, the South-West, Wales and the South-East. Competition would not be evenly spread but would be concentrated in particular regions, including most of these five.

A detailed study was made of the individual location of depots.

Price increases by the combined company would make delivered wholesalers more competitive.

Price rises would exacerbate the problems of independent grocers, the most important group of customers, who are already declining in number. To a suggestion that Dee would welcome this because its retail outlets compete with the independent grocers, "Dee insisted that it would not pursue such a policy, and that the two sides of its business would operate independently of each other."

The Commission accepted

planned disposal of this part of Booker's business would reduce the quality of service and competition in the field.

Acknowledging these worries, the panel said however that "if the needs of retailers for delivered grocery wholesaling can be profitably met, suppliers are likely to be forthcoming on a regional or local if not national basis."

On retail market shares, the addition of Booker's Budget and Bishops stores to Dee's Gateway and other chains would increase Dee's market share by only 0.9 per cent to 8 per cent.

If anything, the report said, a merger "would enable Dee to become a stronger market competitor to the largest multiples."

The Commission said the merged company, especially after the purchase of International Stores, would be able to obtain better terms from manufacturers through its aggregated wholesale and retail purchasing power. But it would force the group to pass the benefits on to its customers.

Retailers argued before the panel that the combined group could use the benefits of the merger in favour of its retail business. They said Dee would not pass on the benefits in cash and carry customers who were in competition with its own retail stores.

Dee argued that it would run the wholesale and retail businesses separately, and that failure to pass on benefits would result in loss of customers.

The Commission accepted its arguments: "We do not think that Dee would be so shortsighted as to sacrifice the very large merged cash and carry business to its retailing interests by letting its prices get out of line with those of its competitors." If it did, other cash and carry operators would take its place, if Dee did charge prices aimed at weakening smaller retail competitors, "they could ask the Office of Fair Trading to investigate the situation."

The report forecast some stiff economies after a merger, but said the reduction in employment would not be substantial in national terms.

The Commission examined Booker's other interests: health products, agricultural and smaller activities in other books — it awards the annual Booker Prize for fiction, and holds the

rights to Agatha Christie and Ian Fleming novels. It heard many expressions of concern, not only from Booker but also from Third World governments, that Dee would not have the necessary experience and understanding of agricultural development. Though it understood these concerns, the panel said: "We see no reason for concluding that Dee would not continue to run this part of the business in a responsible manner and maintain its efficiency and profitability."

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PACKAGED GROCERY SALES 12 weeks to March 24, 1984

	£m	% of market share
Sainsbury	16.7	
Tesco	15.0	
Asda	8.0	
Sub-total	39.7	
Dee + International	2.0	
Waitrose	5.7	
Argyll	5.4	
Fine Fare	4.6	
Safeway	2.0	
Hillards	1.7	
Waitrose	1.4	
Other multiples	6.9	
All multiples	74.4	
Att co-op	14.9	
Others	10.7	
Total		

* Excludes Lennons

Source: Audit of Great Britain

Mr Owens, dissenting from the majority view, said that the national market share of the combined company's cash and carry operations would be itself prompt him to vote against a merger, taking into account the proportion of turnover derived from depots with limited competition.

Regionally, Dee would have 60 per cent of the depots throughout considerable areas of rural England and Wales, he said.

He noted that Dee acquired International at a late stage in the Commission's inquiry, and that only submissions from Booker and Dee were heard after the announcement. Mr Owens said Dee lacked the personnel, local experience to manage Booker's overseas agricultural interests.

The Dee Corporation PLC and Booker McConnell PLC. A report on the proposed merger. The Monopolies and Mergers Commission. HMSO £6.55

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UK COMPANY NEWS

Kirch tempts Dollar Land minority with 170p offer

Mr David Kirch, the Jersey-based property developer, plans to buy out the minority shareholders in Dollar Land Holdings left over from his successful take-over last July.

Mr Kirch is offering 170p per share under the proposed scheme of arrangement. This is considerably more than the 116p July bid price because of the rise in the dollar over the past six months and the settlement of one of the outstanding legal actions in which Dollar Land was involved.

Dollar Land's assets, principally the Bristol building let to Rolls-Royce in Montreal, are now worth more in sterling terms.

"I have had in mind a more attractive offer to tempt the remaining 1,000 or so shareholders," said Mr Kirch.

He has dropped earlier plans to seek either a US\$ quotation or a full Stock Exchange listing for Dollar Land by offering sufficient shares to outside interests, and will retain the company as a private concern.

Westways, a company wholly owned by Mr Kirch, is offering \$807,481 for the outstanding 474,989 shares (15.8 per cent) of Dollar Land. The deal puts a \$3.1m value on Dollar Land, which was traded under Rule 163(2) on the London Stock Exchange before Mr Kirch took control.

Dollar Land was a property group with investments in North America which ran into difficulties in the late 1960s. Apart from the Montreal factory, its offer sole asset was \$3.5m due from a court settlement following the sale of property in Yonkers, New York.

P&O/Sterling revise terms of warrants

THE PRICE of warrants in Sterling Guarantee Trust jumped 9p to 23p yesterday after Peninsular and Oriental Steam Navigation offered their holders the alternative of subscribing to its own warrants.

Under the merger terms between Sir Jeffrey Sterling's two companies announced last week, holders of SGT warrants were offered 20p cash. Alternatively, they will now be able to subscribe for five new P&O warrants for every 17 in SGT.

The P&O warrants are convertible into P&O deferred stock at 483p in July of each year up to and including 1990.

The revision of the terms follows a sharp appreciation in P&O's shares since they returned from suspension on January 14 while those of SGT, which it will absorb, have remained virtually flat.

Efforts were made in constructing the merger package to ensure fairness in the treatment of each side.

St Andrew Trust board rejects bid

In a letter to shareholders, Mr D. A. Ross-Stewart, the chairman of St Andrew Trust, says that the trust's net asset value was 418p as at January 17, 1985.

The board and its advisers consider it is not in the interests of ordinary holders to accept the offer by Ecclesiastical Insurance Office and recommend them to take no action. The board will not be accepting in respect of its own holding.

Progress at Jas. Neill

MR J. H. NEILL, chairman of James Neill Holdings, says in a letter to shareholders that results for the second half of calendar 1984 will undoubtedly prove to be a solid improvement on the first half.

The letter follows a further increase in Neill's share price since last October, and disposal last week of its 11.77 per cent holding in the company.

This year will see the full benefit of cost savings arising from the reorganisation initiated at the end of 1983. But there is still room for further reorganisation and cost savings, and plans to achieve these are currently being considered, says Mr Neill.

Also, he says that an actuarial valuation of the company's pension funds is likely to show substantial overfunding. One option, he says, could be to reduce the company's contribution.

Indeed, the company could save \$500,000 per annum if it lowered its contribution to the employees' level, says Mr Neill. The company contributed around £1.2m in 1984.

F. Copson falls at midway

F. Copson, heating and building material supplier, returned reduced pre-tax profits of £50,141 for the six months ended October 31, 1984, compared with £65,012 for the corresponding period.

In view of prevailing trading conditions the board feels this is reasonably satisfactory but it determined the second half will show its usual improvement, Mr F. Copson, chairman, says. He sees no reason for dividends not being maintained.

For the whole of 1983-84 pre-tax profit was £190,260 with a dividend of 1.5p.

Turnover was down from £3,370m to £3,233m. Earnings per 5p ordinary share were 0.70p (1.1p).

Tax was £24,129 compared with £24,700. Group profit after tax declined from £40,312 compared with £26,012, subject to minorities of £851 (£534). Profits retained for the period are £25,261 (£38,788).

Parkdale slips to £65,000

Disappointing results in the financial services division has led to a first half loss of £65,000 at Parkdale Holdings. They have fallen from £70,714 to £64,950 pre-tax.

The division has been adversely affected by changes in legislation in the field of offshore insurance contracts, leading to

the disposal of Parkdale International last July and by the removal of life assurance relief. The disposal placed the burden of fixed assets on the remaining profit centres within the division, and resulted in a loss of £18,673, against a profit of £31,436, in the half-year.

Blundell to make agreed bid for brush maker

Blundell-Permaglaze Holdings, the publicly-listed paint manufacturer, is to make an agreed bid for Hamilton Star an unquoted maker of paint brushes and decorating tools, in a deal which values Hamilton at £1.92m.

Shareholders owning 36.8 per cent of the Hamilton equity have already given irrevocable undertakings to accept the offer to give Blundell control of 53 per cent of the company when its existing stake is taken into account.

Blundell is offering 106p cash for each Hamilton share of 160p nominal of 10 per cent unsecured loan notes 1990. This represents a substantial increase over the price at which recent transactions in Hamilton shares have taken place, it said.

Style urges offer rejection

THE BOARD of Style, the shoe retailer to which British Land is tendering for a sub-subsidiary, yesterday urged shareholders to reject the offer as a cursory undervaluation of its assets and prospects.

It said the maximum cash price of 185p a share which British Land would pay was only 10 per cent above the market price for Style ahead of the announcement. It described this as "a very low premium, and also pointed out that the attributable asset value in the latest accounts stood at 255p.

"This taken in account of the premium which would attach to the value of a retail chain of 200 quality properties of the

very substantial increases in value of central shop properties over the last year," it added. The directors also expressed confidence in Style's long-term growth prospects.

The offer is being made directly to Style shareholders rather than through the stock market, and carries a British Land share alternative.

If successful, British Land would hold between 41.4 and 40.8 per cent of Style. But high-voting management shares in the control of Mr Arnold Ziff, the chairman, and his family mean that it would win a maximum 38.8 per cent of voting power. British Land regards this non-voting as a strategic asset.

Hugin to expand in U.S. with purchase of Sweda

Hugin Group of the UK, the former cash register subsidiary of Electrolux, intends to buy the Sweda International division of Litter Industries of the U.S. Mr Fred O'Green, the chairman of Litter announced yesterday.

The transaction is subject to the negotiation and completion of a definitive purchase agreement and approval by the Hugin and Litter boards.

Sweda is a technology-based company providing advanced electronic and defence systems, industrial automation systems and geophysical services to the U.S. and international markets.

Last year it announced a plan to sell its business systems divisions, including Sweda, as part of a long-range corporate strategy to focus operations more sharply in its core business areas.

Both Hugin and Sweda are worldwide suppliers of retail business point-of-sale systems. Sweda is based in Pine Brook, New Jersey.

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COMPANY NEWS IN BRIEF

Acceptances have been received in respect of 96.3 per cent of the 42,839,155 ordinary shares offered by way of rights at 255p per share by Pilkington Bros. New ordinary shares will have been sold by the underwriters at a net premium of 44.3116p over the subscription price.

Applications were received for a total of 16,238,300 shares to Ivory & Sime's £12m Far Eastern investment trust. The trust represents an oversubscription of 35.1 per cent.

Applications for 100 to 1,000 shares were allotted in full, 1,100 to 1,300 receive 1,000, and 1,500 to 49,900 get 70 per cent, 50,900

and over 50,000 get 55 per cent and approximately 51.8 per cent respectively. Allotment letters will be posted on January 28 and dealings will begin the following day.

Business was traditionally quieter in the winter months at Wistech, and had been so again this year, Mr Tony Morton chairman told members at the annual meeting.

Major contracts were starting to be sold with a catalyst clearing project for BP which began at Grangemouth last week. A number of major start-ups were being programmed for in the next few months.

Mr Morgan pointed out that

contracts were typically placed for an early start and with this flexibility in mind he did not think that any indication of first half results would be useful.

Mr Morgan said that the company had a high level of outstanding tenders, and Mr Morgan looked for increased turnover this year despite the effects of the coal strike and recent adverse weather.

LCP Holdings has recovered acceptances for 94.4 per cent of the 1,318,231 new ordinary shares offered by way of rights to shareholders at 80p per share. Shares not taken up have been sold at a net premium of \$6.141p over the subscription price. The net premium will be distributed.

Comalco aluminium output shows sharp increase in 1984

BY KENNETH MARSTON, MINING EDITOR

FOURTH QUARTER output figures complete a picture of sharply increased production in 1984 for Comalco, Australia's biggest integrated aluminium complex which is 67 per cent owned by CRA, the 53.9 per cent controlled Australian arm of the Rio Tinto-Zinc group.

Shipments of Comalco's bauxite ore, mined at Weipa in Queensland, rose 81 per cent last year from 8.5m tonnes to 8.5m tonnes, reflecting higher sales to the 30.3 per cent-owned Queensland Alumina refinery and to customers in Japan and the U.S.

Queensland Alumina restarted its third digestion unit in July 1983 and last year commissioned an expansion which lifted its annual alumina capacity to 2.7m tonnes. Its other shareholders are Kaiser Aluminium (28.3 per cent), Alcan of Canada (20.3 per cent) and Peabody (20.3 per cent).

Comalco's total production of primary aluminium metal last year moved up to 326,616 tonnes, from 271,021 tonnes in 1983, a major factor in the increase being the completion of the Boyne Island's smelter's second potline in June. Last year Comalco also acquired the aluminium interests of the U.S. Martin Marietta group.

Sales figures for 1984 are also reported by another RTZ group member, the South African Palabora Mining which with its low

costs ranks as one of the world's most successful copper mines.

Last year Palabora milled 29.2m tonnes of ore with an average copper grade of only 0.8 per cent. Copper sales totalled 123,450 tonnes, against 124,211 tonnes in 1983 when there was a large stock of process material on hand resulting from the plant shutdown in 1982.

Sales of the precious metals (gold, silver and platinum) contained in anode slimes rose to 553,737 ozs last year from 458,068 ozs in 1983, while there were sharp increases in molybdenite (90,373 tonnes against 64,277 tonnes) and vanadium (174,074 tonnes against 124,568 tonnes).

Sulphuric acid sales fell from 109,734 tonnes to 80,244 tonnes in line with Palabora's increased use of acid for its metallurgical plant - processes in the fourth quarter of 1984 are expected to be in the period, all made earlier in the period, amounted to 227,483 tonnes against 161,286 tonnes in 1983.

First-half net profits jumped 51 per cent to \$28.6m, but the company said at the time that those for the second half would not be so good. Even so, the third quarterly dividend was lifted to 25 cents to make a total for the first nine months of 60 cents, up from 55 cents in the same period of 1983 when there was a subsequent fall of 27.5 cents.

Gencor's interesting gold values at Unisel mine

THE South African Gencor Unisel gold mine has obtained some interesting gold values outside its lease area on the other sides of its western and southern boundaries. The values have been obtained from four underground boreholes put down from drives (horizontal tunnels).

From the No 4 cross-cut tunnel west, the basal reef has been intersected at a depth of 656. The drill reef intersected 4.3 grammes gold per tonne of ore over a width (thickness of reef) of 168 centimetres, equal to 726 centimetre-grammes of gold.

The other intersection was made on farm Jurgens Hof 490

and was in Leader reef. Three drill holes were obtained: 1.5m over 477 cm, or 84 cm; 10.5m over 278 cm, or 2,932 cm-g; and

Carlton rights

Carlton Communications says the rights issue of 2,590,312 ordinary at 485p per share has been taken up to the extent of 2,870,860 shares (99.3 per cent). New shares not taken up have been sold in the market at 685.5p, and the net proceeds will be sent to the parent to allow such shares were provisionally allotted.

APPOINTMENTS

Upper echelons at Lloyds Bank

Sir Robin Tibbs will become a director of LLOYDS BANK UK MANAGEMENT on April 1. He is an executive director of the Chemical Industries and adviser to the Prime Minister on efficiency and effectiveness in Government. Mr John Balsman will also become a director of Lloyds Bank and of Lloyds Bank International on the same date. He will be retiring as chairman and chief executive of Shell UK at the end of 1985. He is a director of Vickers, Glaxo Holdings and British Telecom. At the annual meeting in May Sir Bernard Scott, Lord Abernethy, Lord Aldington and Sir Arnold Hall will retire from the board of Lloyds Bank and Sir Daniel Pettit from the board of Lloyds Bank UK Management.

Mr D. S. Clarabut will succeed Lord Abernethy as chairman of the south east regional board and will become a director of Lloyds Bank UK Management. Brigadier Anne Field will succeed Sir John Hedley Greenborough as chairman of the Greater London regional board and will become a director of Lloyds Bank UK Management. Brigadier Field is deputy controller-in-command of the WRAC. Sir Daniel Pettit will succeed Sir Bernard Scott as chairman of the Birmingham and West Midlands regional board and will become a director of Lloyds Bank UK Management. Mr Swainson is managing director of IML.

British Actors' Equity Association: Mr Usha Prashar, former director of the Runnymede Trust; Rt Rev Mark Sauter, archbishop of Keelington; Ms Judith Bishop, director of Hammar Smith and Fulham Association of Community Organisations; Mr John Swallow, head of Ogar Comprehensive School; and John Whitman, director general of the Independent Broadcasting Authority.

Thet recently formed GA GROUP (formerly Gilbert Ash) has appointed Mr Barry Bar as sales and marketing director of two of its subsidiary companies, GA Estates and GA Design.

Mr Graham H. Rutherford, director of marketing with STONE AND WEBSTER ENGINEERING for the past 10 years, has been elected a director of the company.

Mr David Farr has been appointed general manager (designate) of ESSEX WATER CO. from February and will succeed as general manager following Mr P. Gordon Spencer's retirement.

Mr Iain Arthur, managing director of Kingsland Lloyd Petersee and KLP Scotland has been elected to the board of the parent KLP GROUP.

Mr Eugene Bacot has joined the board of MINTEL PUBLICATIONS as editorial director from Advertising Age's Focus where he had been editor since 1980.

Mr Alan McPherson, director and area general manager, BRS Midlands, has been appointed managing director designate FASHIONFLOW. He will succeed Mr Geoff Wright who is taking early retirement. Fashionflow is a subsidiary of the National Freight Consortium and specifically serves Marks and Spencer with an exclusive store delivery service for packaged textile goods and homewares. Mr McPherson will take over as managing director on March 2.

Mr Ron Urquhart has been appointed group chief financial officer of JARDINE INSURANCE BROKERS. He is responsible for the financial management of all companies in the group. Before joining Jardine he was with the Hong Kong & Shanghai Banking Corp and Commercial Union.

Four THORNTON BAKER partners have been appointed executive partners, joining Mr Mike Lickiss, national managing partner, on the executive team. They are Mr Tony Agnew, manpower development; Mr David Brooks, marketing; Mr Robert Hayman, operations and finance; and Mr David Spence, client services.

NATIONWIDE LEISURE has made two senior management appointments as part of reorganisation of subsidiary companies. Mr David Harrold becomes chief executive of a new travel division which will incor-

porate Neilson Holidays; Villa Seekers Holidays; Neilson Travel Shops and further developments in Nationwide's travel and tour operations abroad. Mr Harrold joins from the Leisure Group where he was a main board director and also managing director of Club 18-30. Mr Alan Cambridge becomes chief executive of Alpine Sports and Nationwide retail development. He joins after 18 years with British Home Stores where he was regional controller for eastern England.

Mr Thomas R. Attwood has been appointed a director of STEPHEN ROSE AND PARTNERS, an investment banking group.

The following directors have been appointed at CREDIT SUISSE FIRST BOSTON: Mr J. Jan Borel, head of the bank; Mr Christopher M. Hyde, finance; Mr Nicholas G. Johnson, corporate finance; Mr Charles E. Nettleton, syndicate; Mr David C. Olson, corporate finance; and Mr John Selous, futures and cross markets.

A. R. GIBBON, printing ink manufacturer, South Noranton, as appointed John Hild as financial director.

Mr D. R. George is to be company secretary of ASSOCIATED BRITISH PORTS, operating subsidiary and Associated Group Ports Holdings, from February 1. He is commercial manager at ABP's South Wales group office. He is also secretary to

the International Cold Storage Co. one of ABP's associate companies, and will retain this post.

Mr Brian Mayhew has been named UK managing director of PERKIN-ELMER. He has been general manager of the UK operation since May 1983, and was appointed to the board of Perkin-Elmer Data Systems last October.

Mr Brian Nicholson, until recently joint managing director of MARLAR INTERNATIONAL, has been appointed executive chairman of CompAir, Lloyds of London Finance, London Broadcasting Company and The Royal Opera House.

COLMAN RSCG & PARTNERS has promoted to the board Mr P. Church, head of the type/graphic studio services; Mr Roger Holdsworth, writer/group head; Mr Steve Hooper, writer/group head; Mr Dennis Lewis, writer/group head; Mr Peter Selous, account director; Mr Bob Offen, deputy media director; and Mr Leigh Steps, deputy planning director.

NEW ENGLAND PROPERTIES has appointed Mr J. Brown to the board of the company's development arm New England Developments.

Non women manufacturer, BONDINA, has appointed Mrs B. Dren as company secretary. He will retain his responsibilities as chief accountant.

This advertisement complies with the requirements of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland, and does not constitute an offer of, or invitation to subscribe for or purchase, any notes.

Cambrian & General Securities p.l.c.

(Incorporated in England under the Companies Acts 1900 to 1917 of Great Britain with limited liability)

US\$100,000,000 Secured Floating Rate Notes due 1992

Initial Tranche of US\$50,000,000
Issue Price: 100 per cent

The following have agreed to subscribe for or purchase the Initial Tranche of the above Notes:-

J. Henry Schroder Wagg & Co. Limited Interallianz Securities Corporation
Morgan Guaranty Ltd Standard Chartered Bank PLC
Banco di Roma (London Branch)

Application has been made to the Council of The Stock Exchange in London for the Notes in the denomination of US\$10,000 constituting the above issue to be admitted to the Official List, subject to the issue of the Temporary Global Note or Notes.

Interest is payable semi-annually in arrears in July and January of each year; the first such payment being due in July, 1985.

Particulars of the Notes are available from Extel Statistical Services Ltd. Copies of the listing particulars relating to the Notes have been published and may be obtained during usual business hours up to and including 7th February, 1985 from the following:-

Cambrian & General Securities p.l.c.
Sheffield House
29 Bolivar Road
Haywards Heath
West Sussex RH16 1BW

Seligmann, Rayner & Co
Friendly House
21-24 Chiswell Street
London EC1Y 4TU

Company Announcements Office
The Stock Exchange
Throgmorton Street
London EC2P 2BT
(until 28th January, 1985 only)

Citibank N.A., London Branch
Citibank House
336 Strand
London WC2R 1HB

British Syphon Industries plc

has acquired

The East Lancashire Paper Group p.l.c.

The English Association Trust Limited

4 Fore Street, London EC2V 5EH. Telephone: 01-920 9120

acted as financial advisers to

British Syphon Industries plc

DURABLE PRODUCTS, Cheltenham & Co. Ltd, has appointed Mr Colin Howes, as sales and marketing director and Mr Terry Brown, formerly national sales manager, as sales director of College Housewares. Mr Howes has held similar positions with Midland International. During the past four years, he has been running his own marketing agency.

FULLER SMITH AND TURNER, Chiswick, has elected wines and spirits director, Mr Michael Turner, to the main board. It was Mr Turner's great grandfather who joined the company's chairman, Mr A. R. Fuller, the great-great grandfather to form the partnership of Fuller Smith and Turner in 1848. Mr Tim Turner, died trade director, has also joined the main board.

Mr Robert J. Baldey has been appointed to the board of THOMAS BORTHWICK & SONS. He is chief executive of both Thomas Borthwick & Sons, New Zealand, a wholly-owned subsidiary, and of Borthwicks-CWS, a 65 per cent owned subsidiary.

Mr H. J. Edwards and Mr H. Thompson have resigned as directors of COMFORT HOTELS and Mr C. Stein, Mr D. J. Sate, Mr J. F. Jarvis, Mr M. R. Alford, Mr J. Wilson, Mr J. D. Murray and Mr C. H. Andrews of Ladbroke were appointed additional directors of Comfort Hotels. Mr

Baroness Lane-Fox is to be chairman of the trustees of the THAMES HELP TRUST. The Trust will administer the funds raised by Thames Television 1985. It is chief executive of the aid to young people's and children's charities. Other trustees include: Earl Attlee; Mrs Mary Baker, former chairwoman of the London Tourist Board and a non-executive director of Thames Television; Mr Peter Brown, chairman of the Thomas Coram Foundation and director of Associated British Industries; actor George Cole; star of "Minder" Rabil Nago; Glyn, senior rabbi of the West London Synagogue; Mr Peter Plouvier, general secretary of

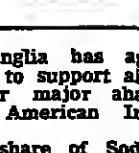
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BASE LENDING RATES	
A.B.N. Bank	12 1/2 %
Allied Irish Bank	12 1/2 %
Amro Bank	12 1/2 %
Bank of America	12 1/2 %
Bank of Australia	12 1/2 %
Bank of Canada	12 1/2 %
Bank of China	12 1/2 %
Bank of Ceylon	12 1/2 %
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Bank of Japan	12 1/2 %
Bank of Korea	12 1/2 %
Bank of London	12 1/2 %
Bank of Malaya	12 1/2 %
Bank of Mexico	12 1/2 %
Bank of New Zealand	12 1/2 %
Bank of Norway	12 1/2 %
Bank of Pakistan	12 1/2 %
Bank of Portugal	12 1/2 %
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Anglia up 61% despite big C4 levy

of the Exchequer Levy is bound to create some uncertainty though the 7.6 per cent yield limits any downside.



But advertising revenue has been weak since October and a review of the Exchequer Levy is bound to create some uncertainty though the 7.6 per cent yield limits any downside.

but advertising revenue has been weak since October and a review of the Exchequer Levy is bound to create some uncertainty though the 7.6 per cent yield limits any downside.

Barclays Bank plc
Registrars Department
Radbroke Hall
Knutsford
Cheshire WA16 9EU

considerable increased volume of business. The fabrication order book shows "encouraging" improvements.

Group sales for the first quarter of the current year indi-

share option scheme. The group undertakes the design, fabrication, installation and supply of anti-pollution and corrosion-resistant equipment and systems for the engineering and chemical industries.

This advertisement is issued in compliance with the requirements of the

24th January, 1985

SLOUGH ESTATES LUXEMBOURG S.A.
Principal paying agent:
SEDIETBANK S.A., LUXEMBOURGEOISE
Sub-paying agents:
CHARTERHOUSE JAPHET plc, LONDON
L BANK INTERNATIONAL, NEW YORK

January 1985

A member of the Den norske Creditbank Group

Accountancy Appointments

FINANCIAL DIRECTOR

Age 35 - 45

c. £40,000 per annum

Our client is a major Insurance Broking Group with its Head Office in the City, and a sizeable number of subsidiaries and associate companies throughout the world. Over 1,800 people are employed in seventy offices, with pretax profits in excess of £7 million per annum.

Due to internal promotion, a Finance Director is to be recruited from outside the Group. To qualify for this position, you must have extensive experience gained within a "Blue Chip" organisation, preferably in the financial services sector, and certainly within an international operation. The main purpose of the job is to maintain overall control of the financial affairs of the Group, and in addition, take part in the management of the Company. You will have direct responsibility for 40 staff. A working knowledge of computerised systems is essential. In addition to your responsibilities in the UK, you will be internationally involved and will travel frequently.

The remuneration package is substantial and in line with the seniority of the post.

To apply for this exciting opportunity, please write to me, Simon Green, Consultant to the Group:-

Business Development Consultants (International) Ltd
63 Mansell Street
London E1 8AN



Group Financial Director

Food, Agriculture and Financial Services - South Midlands
£30,000 to £35,000 + car

Our client is a rapidly growing and highly successful private Group with a turnover in excess of £40m. Based in an attractive part of the South Midlands, the company is vertically integrated and has a variety of business interests covering food processing, a Finance House, farming, and house building.

Due to the continuing expansion, a dynamic financial executive is now required to fill a newly created position at Group level. Reporting to the entrepreneurial Chairman, the person appointed will be required to review and up-grade existing systems and procedures, computerising where appropriate, improve financial disciplines and advise the Chairman and subsidiary Company Directors on a variety of ad hoc projects.

Aged 35 to 47, candidates should be Chartered Accountants with at least five years experience in financial management, preferably at Director level, in manufacturing industry. They must be skilled in the

preparation and interpretation of financial and management accounts together with detailed experience of costing, cash and credit control, systems development and the use of computers.

Some experience of working at Group level or in a Finance House would be useful, but above all candidates must be highly commercially oriented and capable of working with small teams in a fast moving environment.

The starting salary depends on age and experience and the package includes a company car, pension scheme, medical insurance and, if necessary, assistance with relocation costs.

Please write or telephone for an application form or send detailed cv to D.J. Dewhurst, as adviser to the company, at the address below, quoting ref: A455-9101/77 on both letter and envelope. No details are divulged to clients without prior permission.

PA Personnel Services

6 Highfield Road, Edgbaston, Birmingham B15 3DJ
Tel: 021-454 5791 Telex: 337239

UK Financial Accountant

Microdata c.£20,000 + car + benefits

Our client is part of the recently formed international systems division of Macdonald Douglas, the multi-billion dollar American corporation, world leaders in the development and application of aerospace technology. The U.K. company, Microdata, markets a powerful distributed data base management system and has achieved dramatic sales growth in recent years.

The company now requires a Financial Accountant to be responsible to the U.K. Financial Controller for the preparation of all accounting records according to U.S. and U.K. accounting standards; administration of the treasury function, including the financial control aspects of capital equipment, leasing and salary administration and supplies accounting.

Candidates, aged 30-38 years, must be qualified accountants with strong financial accounting experience gained in a U.S. multinational company in the computer or electronics industry. They must also be able to demonstrate a detailed knowledge of the financial control aspects of capital equipment, leasing and ideally have some experience of management accounting and foreign exchange.

This is a key position within a rapidly developing successful and dynamic organisation and therefore the ability to achieve above average results is necessary. Success in this position will lead to significant opportunity for career progression.

Please write in confidence, with full career details, quoting reference 1560, to Peter Molin who is advising on this appointment.

Oggers

MANAGEMENT CONSULTANTS
Oggers and Co Ltd, One Old Bond St,
London W1X 3TD 01-499 8811

Financial Accountant

Salary up to £16,000

Cambridge Interactive Systems (Products) Limited is a subsidiary of a large US corporation with an international reputation for its leadership and expertise in the development of innovative computing systems for the engineering industries.

We are looking for a Financial Accountant to join our small finance and administrative team.

Responsibilities will include financial accounting, management reporting and general financial control. This is a new post and in addition the role entails the setting up of a number of new computer-based systems for stock control and accounting procedures.

Applications are invited from young, qualified accountants with a minimum of two years relevant experience in a commercial environment.

Salary is commensurate with experience and a wide range of company benefits will be offered to the successful candidate. Please write, enclosing your curriculum vitae and details of all relevant experience to:

Rosemary Oldland
Cambridge Interactive
Systems (Products) Limited
The Grange
20 Market Street
Swavesey
Cambridge
CB4 5QG

CIS

ACA/ICMA

c. £14,500 + car
Publishing company seek qualified accountant to manage their Budget/Treasury Dept. Duties include budgeting, credit and revenue control and staff supervision. The position is based in Slough.
Send C.V. to Mrs Sylvia Horner
ABACUS RECRUITMENT
30/31 Queen Street, ECG
(01-236 0642)

Financial Controller

c. £18,000 + Car + Benefits Barking Essex

Our Client, Queen's Award Winner, Seabourne Express Ltd., a leading operator of European scheduled overland freight services, is in the process of embarking on a major programme of business expansion and is seeking a commercially oriented accountant to strengthen its financial management team. The principal duties of the position comprise:

- Supervision of the work of the accounting department
- Preparation and analysis of management accounts
- Preparation of budgets, financial projections and statutory accounts
- Ad hoc financial studies
- Assistance with the development of financial management information systems
- Liaison with European Headquarters accounting

This is a new position reporting to the Chief Accountant and it is envisaged that the appointee will have the potential to assume this role within two years.

Candidates for the position, ideally in the age range 32-40, will possess a professional accounting qualification and have worked for at least three years in a management accounting role in a commercial environment, preferably, but not necessarily, in the freight industry. The position demands knowledge of computerised information systems and some experience of overseas operations.

Applications, giving full personal and career particulars, should be sent in writing quoting reference S-285/13 to Dr Geoffrey M Seiff FCA at: Stoy Hayward Associates, Management Consultants, Executive Recruitment Division, 8 Baker Street, London W1M 1DA.



Stoy Hayward Associates
MANAGEMENT CONSULTANTS
A member of Network & Network International

Financial Director Designate

We have world-wide profitable and diverse interests. The businesses are successful and expanding rapidly.

You will join a team which is sufficiently small and perceptive to instantly identify your successes or failures. So if you have any doubts about your ability to deliver, read no further. Continuing, you will liaise with our auditors world-wide and deal with bankers and government agencies at the highest levels.

Crucially, you will need to have or at least comprehend the needs of a private and strongly entrepreneurial ownership.

The position is based between Brussels, London and other locations. Substantial travel may be involved. An exceptional package is available to the person who is able to demonstrate the requisite contribution. Starting immediately.

Write Ref. KG, Box A.8878, Financial Times
10 Cannon Street, London EC4A 3DF

KEY ROLES IN INDUSTRY

with a major high tech leader

Our client is a £100m high technology world leader with an outstanding record of profitable growth. Further expansion of its activities at home and abroad has created a need for additional financial expertise and three new posts have been established.

Management Accountant

c. £18,000 + CAR

As a member of the top management team within one of the rapidly growing divisions, you will play a major role in a planned reorganisation which will lead to increased autonomy of its accounting function. Reporting to the Divisional Director, you will be responsible for financial reports, budgets, forecasts and to advise on all financial aspects of the business.

The ideal applicant must be able to make a strong contribution to future growth objectives, will have a well developed commercial awareness and is likely to be an ACMA aged 35-45.

Financial Accountant

c. £17,000

Reporting to the Financial Controller, you will be responsible for the consolidation of all financial reports, statutory accounts and corporation tax, together with a central accounting function and the computerisation of accounts.

Ideally ACA qualified, you will be an experienced financial accountant able to give strong leadership to a central accounting function.

Overseas Accountant

c. £16,000

A remarkable opportunity for a young ambitious chartered accountant preferably with knowledge of internal audit, to gain international commercial experience.

Reporting to the Financial Controller, you will undertake short trips to monitor, audit and investigate the accounts in the company's overseas offices throughout Europe and the USA. You will also assist them to computerise their monthly reporting. There will in addition be some involvement with UK units.

The ability to speak business French and preferably some German would be advantageous. Suitable applicants must be able to show initiative, self motivation and the potential for career development.

These posts offer excellent careers within a major British company. Benefits, including relocation to the South Hertfordshire area, are those normally associated with a progressive organisation, and reflect our client's high regard for individual ability.

For a confidential discussion call MAUREEN HOBBS on 0494 25128 or write to her in the strictest confidence quoting reference number 1130/FT

David Anthony (Management Selection) Ltd
23 Easton Street, High Wycombe, Bucks HP11 1NU

Financial Accountant

West of London

c.£18,000

Our client is a major international public company, a market leader within its specialist sector, having significant manufacturing operations throughout the UK and overseas.

Reporting to the Manager - Financial Planning, the job is broadly based; responsibilities will include providing assistance for the development of the group's accounting systems and procedures, capital investment project evaluations and a variety of other ad hoc financial investigations. The Financial Accountant will also be involved in the review of plans, annual accounts and monthly reports.

Candidates are likely to have qualified with a large firm of chartered accountants, having 2/3 years post qualification experience and probably be under the age of 28. Strong technical skills, a high level of initiative and professionalism are essential.

Prospects for career development towards a senior management position within the company are excellent.

Candidates should write to Philip Cartwright ACMA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref: 200, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.



Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Exciting Opportunities in Accountancy....

**Management Accountants
Financial Accountants
Project Accountants
Financial Training Accountant**
Circa £12-£16K

Woolworths today is an exciting and rapidly changing company. Since the takeover in 1982, our new, wholly British Company is developing in the 80's with a completely revised trading philosophy and commercial strategy.

Our programme for development of new financial systems has created positions at various levels to support their design and implementation. These include a unique opportunity for an ACCOUNTANT WITH PRACTICAL TRAINING EXPERIENCE, to develop and implement a comprehensive training programme for all store administration personnel.

To meet the challenge of these key positions you will need to be:
• professionally qualified with at least 3 years post qualifying experience
• familiar with main frame and micro support systems
• highly self-motivated and creative in your approach to problem solving
We offer excellent opportunities for advancement, competitive salaries and benefits, and generous assistance with relocation costs where appropriate.
Interested? - then send us your detailed cv, which should include your current salary or if you would like further information then please telephone:

Mrs. Lynn Clarke, Personnel Officer, F.W. Woolworth plc.,
Royaume Road, Castleton, Rochdale, Lancs OL11 3DU.
Tel: Rochdale 47301, Ext. 2105

Interviews by

WOOLWORTH



GABRIEL DUFFY CONSULTANCY

We are assisting a Top 50 public company, a broadly-based consumer and industrial service group, with Executive Offices in West London.
The client seeks two recently qualified accountants with strong technical expertise and good interpersonal skills.

The positions on offer are:

GROUP AUDITOR

The Group Audit Department has only recently been formed to establish a small but highly professional team capable of carrying out non-routine high-level investigations and operational review, commencing upon the reliability of management and financial information, the effectiveness of controls and adherence to Group policies and procedures. Limited overseas travel will be involved; the majority of assignments being in the South of England.

Salary will be around £13,000 negotiable, and a fully expensed car will be provided.

GROUP ACCOUNTANT

The Head Office Finance Department operates as a tightly-knit unit with direct access to top management and is involved in reporting and analysing Management and Statutory information to the Board and shareholders.

As well as the usual large group management and financial accounting responsibilities, the successful candidate will undertake Board-sponsored investigations for new business acquisitions and the development of a new computerised accounting information system. Remuneration will be negotiable but a salary of around £14,000 is indicated.

Both positions will give successful candidates a broad view of the Group's activities and exposure to senior management, and it is envisaged that they will progress to more senior roles within the company in due course. The Group's benefit package includes 23 days holiday, pension scheme, restaurant and sports/social facilities.

Interested candidates should telephone Don Leslie on 01-623 3195/day 01-632 6229/evenings or write to him at: Gabriel Duffy House, 17 St Swinlan's Lane, Cannon Street, London EC4N 8SL.

Accountancy Appointments

Internal Auditor

c. £12,500 + car
with an international perspective

This international auditing role presents exceptional opportunity for a young graduate, recently qualified ACA, to forge a fast-moving career with a major, blue-chip multi-national.

The National Can Corporation is one of the world's foremost manufacturers of packaging products. The headquarters of our European operations are in Surrey, where we need a successor to our International Auditor who has been promoted to the States.

Responsibilities involve operational and financial audits relating to European subsidiaries, and thus extensive overseas travel is a necessity.

You should therefore be independent and self-assured, with confident interpersonal skills and preferably manufacturing auditing experience.

In return, the Company offers scope to develop expertise while appraising business operations, together with opportunities for career progression within auditing or the wider finance function.

You will receive a range of executive benefits including company car, private medical insurance and where appropriate, relocation assistance.

Please send your c.v. in confidence to: Ian Botterill, International Personnel Director, Nacanco Service Corporation, 6A Rusham Park, Whitehall Lane, Egham, Surrey TW20 9NW.

Nacanco Service Corporation

ACCOUNTANCY APPOINTMENTS

APPEAR EVERY THURSDAY

Rate £37.00 per single column centimetre

Finance Director

£35,000 plus

Recent fast growth has established Fisons Scientific Equipment Division among world market leaders in the supply of products for scientific and clinical laboratories.

Profitable world-wide sales in excess of £300m are generated by manufacturing and trading subsidiaries in the USA, Europe, Australasia and other territories, with central planning and control from the Division's HQ in Uxbridge, Middlesex.

The Finance Director will report to the Divisional Chairman, as part of the small HQ management, responsible for the financial control and systems of global operations. He or she will also play a vital role in the Division's continued growth including acquisitions.

The successful candidate will be a graduate and a qualified accountant of high ability and proven accounting management experience, probably aged 35-45. Experience will certainly have been gained in a large manufacturing enterprise with significant technology and international business. It will ideally include both operational and corporate staff work. Familiarity with American business practice is essential, and European experience including at least one language highly desirable.

A basic salary of up to £35,000 is envisaged with a car, bonus incentives and membership of the Fisons' Pension Scheme. Please send a full cv to Cedric Scroggs, Divisional Chairman at the address below.

FISONS
Scientific
Equipment

Fisons plc
Scientific Equipment Division
Riverside Way, Uxbridge
Middlesex UB8 2YF

International Auditor

Europe + N. America

£14,000 - £16,000 + Excellent Prospects

Our client is fast growing and successful, part of a multi-national organisation, and has a world-wide reputation in its own specialist engineering field.

This appointment, which carries outstanding career prospects, will bring you into frequent contact with senior decision makers on both sides of the Atlantic, and provides a real opportunity to influence both the Group's future and your own. Based near Gatwick, this is a "hands-on" control and liaison role between the UK headquarters and the operating subsidiaries abroad and is part consulting and part auditing. Extensive travel will be involved, mainly in Europe.

You should be ACA or ACCA, aged 24 or over, with qualities which generate cordial working relationships. You must have at least 4 years' experience covering auditing and computerised accounting. Major company benefits include relocation.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. B. C. Oliver ref. B.1877.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.
Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL

CONFIDENTIAL ADVERTISING

DIRECTOR OF MARKET ACCOUNTING

£20,000-£25,000 + Car

Leslie & Godwin Ltd. is a major Lloyd's broker and an autonomous subsidiary of Frank B. Hall Inc., U.S.A.

Our market accounting/credit control department employs 50+ people and is based in superb new offices in Farnborough, Hampshire.

Reporting to the Group Chief Accountant, the new Director will be a qualified accountant aged 35+ with considerable management experience within the world of international financial services.

Interested candidates should in the first instance write with full career and salary details to: Mrs. P. Taylor, Personnel Director, Leslie & Godwin Ltd., Dunster House, Mark Lane, London EC3P 3AD.

Leslie & Godwin Ltd.

Financial Controller

North West

c. £20,000 + Car

Our client is a substantial contract engineering subsidiary of a major UK group with an international reputation for the quality and reliability of its products.

They seek a Financial Controller, who will be responsible to the Managing Director for the management of the company's finance and D.P. functions, (75 staff), through what will undoubtedly be a critical phase in the development of the business. Specific emphasis will be placed on stringent contract cost control, cash management and financial planning, together with the rapid development of sophisticated computer based systems and significant input into the commercial management of the business.

The successful applicant will be a mature qualified accountant with several years managerial experience gained in a contract orientated environment. He/she will be expected to demonstrate the leadership qualities, personal skills and commercial awareness necessary to make an impact within a major company at senior level.

Relocation facilities are available where appropriate. Applicants should write to Peter Hornby B.Sc. A.C.M.A., quoting reference 7002, at Michael Page Partnership, Clarendon House, 81 Mosley Street, Manchester M2 3LQ. (Telephone 061-228-0396).

Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Young Qualified Accountant for major business group - high technology growth industry

Central London Up to £15,000

The Central Finance function of British Telecom Enterprises, an entrepreneurial group of ten forward looking businesses within British Telecom, urgently needs a first class young accountant.

He/she will work principally on the consolidation of budgeted, forecast and actual financial and statistical information for both management and statutory purposes, but will also be expected to assist in their critical review and interpretation and in the development of new reporting procedures and microcomputer consolidation routines.

We need an ACA or ACCA, ideally aged 25-35, with a London accounting firm and/or corporate head

office background. He or she should have had extensive experience of commercial group accounting and consolidations. Self motivation with the confidence to cope with pressure and tight deadlines, and the ability to develop good, effective relationships with business colleagues and with auditors are all essential. Microcomputer experience would be an advantage.

Starting salary (inclusive of London Allowance) will be up to £15,000, depending on age, qualifications and experience.

Please write, enclosing CV to Stephen Godber, Personnel Department, Ref FT, British Telecom Enterprises, Room 2126, 23 Howland Street, LONDON W1P 6HQ.

British
TELECOM

Systems Accountant

Kent/Sussex borders Package to £20,000

Due to substantial growth in recent years our client, one of the leading provident organisations in the field of private medical insurance, now has a key position for a qualified accountant at their group headquarters.

Reporting to the Chief Accountant you will assume responsibility for the maintenance of all financial systems within the group, rapidly implementing improvements in purchase, nominal ledger and payroll. You will have considerable experience in the planning, development and implementation of computerised accounting systems and have a real interest in continuing your career within this area.

Probably aged 28-36, you will possess a strong, resilient personality with tact, a sense of humour and the ability to work under pressure in order to contribute effectively to this new management position.

In addition to a competitive remuneration package, generous relocation expenses are available.

For further information please contact Richard Green quoting ref: 2849.

dunlop & badenoch
db Recruitment Consultants

60 Mark Lane, London EC3R 7NE
Tel: 01-265 0377

Career Development through Internal Audit

SALARY UP TO £18K PLUS CAR

TI is an international engineering group producing domestic appliances, cycles, steel tube and high technology engineering products. Famous brand names include Creda, Raleigh, Russell Hobbs and Croydon. With Headquarters in Birmingham, the Group has over 80 subsidiaries.

As a result of promotions to senior financial positions in operating companies, we are seeking high calibre accountants to make a positive contribution to the effectiveness of the Internal Audit function of the Group.

You will be responsible for reviews of the financial and management control systems covering all aspects of the Group's activities, where extensive use is made of computers. Your role will be to audit all systems and procedures for their effectiveness in relation to the particular businesses and provide reports and recommendations to management. This will involve you in travelling throughout the UK and occasionally overseas.

To succeed you will need to be qualified, in your early 30's, and have several years' experience at senior management level. You will be well-practised in assessing and developing financial procedures and controls, and have sound analytical and problem-solving skills together with an ability to communicate clearly and succinctly.

Salary will be negotiable, and excellent terms and conditions will include medical cover and relocation assistance where appropriate. Career development prospects for professionals with a high level of commitment are first class.

Applications, giving full details, should be sent to Mr. T. G. Hicks, Personnel Manager, TI Central Organisation, TI House, Five Ways, Birmingham B16 8SQ.

TI Group plc

Chartered Accountants London

The Tioxide Group, a leading international producer of titanium pigments with a turnover in excess of £300M, has opportunities in its West End Offices for two young, ambitious Chartered Accountants to fill the following roles:

Financial Accountant covering the preparation of monthly financial accounts, budgets and profit forecasts, statutory accounts and taxation. Some experience of computerised systems is preferred.

Management Accountant to handle the preparation of monthly management accounts, financial modelling and systems design, project evaluations and ad hoc reports for the Finance Director. An aptitude for computer systems design is desirable.

Suitably qualified candidates in their mid 20's with relevant post-qualification experience can expect starting salaries of up to £16,000 per annum, inclusive of London Allowance. Career prospects are excellent.

Please write with brief career and personal details, or telephone for an application form to:

Staff Personnel Manager, Tioxide UK Limited, 10 Stratton Street, London W1A 4XP. Tel: 01-499-6070

Tioxide
white pigments for industry

Accountancy Appointments

Insolvency Managers

Bristol

As a result of continuing expansion, the Bristol office of Arthur Young is seeking to appoint two Insolvency Managers experienced in bankruptcies, and liquidations or receiverships.

Ideally A.C.A., A.C.C.A. or I.P.A. qualified and with proven ability to contribute to a developing business, successful candidates will be expected to contribute to a growing practice in a management role.

In return, we offer a highly competitive salary, company car, other large firm benefits and relocation assistance where appropriate.

Write with c.v. or telephone for an informal discussion: Miss A. Baird, Director of Personnel, Arthur Young, Froomgate House, Rupert Street, Bristol BS1 2QH. Telephone: 0272 290808.

Arthur Young
Your next good idea

Coventry Lanchester Polytechnic The Finance Officer

£11703 - £14709 + pay award at arbitration

THE POLYTECHNIC a major academic institution of high repute; a City centre site; 6000+ students, 1400 staff; academic work embracing engineering, science, art and design, business, social science and public policy; £22 million turnover, nearly £3m of which is in research and external contracts, capital budget for equipment £1.6m.

THE POST the Director's "right hand man" in financial planning, resource analysis and the preparation and management of revenue and capital budgets; evaluation of governments financial strategy for Polytechnics.

THE OPPORTUNITY to continue to develop the quality of financial management for involvement at a senior level in decision making and appraisal in a financial environment to gain the experience for significant promotion in 4-5 years time.

THE PERSON a qualified accountant; young and ambitious; able to manage staff, negotiate skilfully, possessing analytical flair and communication skills; who can command the respect and trust of the most senior academics, local authority officers and the Board of Governors.

PARTICULARS from Joyce Holman, Personnel Officer, at the Polytechnic, Priory Street, Coventry CV1 5PB. (0203-24186 ext. 392). Closing date Monday 11th February, 1985. THIS POST IS OPEN TO MEN & WOMEN

Financial Controller

West End

c £18,500 + Car

Our client is a young, aggressive but carefully controlled property development group with an excellent pedigree and with interests across the South of England. Its growth plan now calls for the appointment of a Financial Controller, who will report to the Managing Director and take complete responsibility for all financial and Secretarial activities in the organisation.

Aged late 20s upwards, the successful candidate will be well qualified and will preferably have experience in the property development area. Transactions are not numerous but are large and complex, and experience of feasibility study and projection work would be particularly relevant. Fundamental to the support of growth will be the further development of sensitive, computerised, management information and control systems.

This is essentially a shirt sleeve operation, and for the candidate with the mature judgement, creativity and application we seek, offers a rare opportunity for growth. Other aspects of an attractive benefits package will be negotiated.

Letters of applications, together with CV, salary progression and any other relevant data, should be sent without delay to Mr. C.A. Cotton, Executive Recruitment Division, Stoy Hayward Associates, 8 Baker Street, London W1M 1DA, quoting reference M684.

Corporate Manager

Central London

£19,000

Our client is part of a major international group specialising in information technology. A vacancy has arisen for a high-calibre qualified accountant to play a key role at corporate level.

Working in a small team, the successful candidate will have responsibility in the following main areas:-

- ★ Maintaining control over the financial reporting of the international sub-groups on legal and management bases.
- ★ Reviewing and analysing intercompany debt and making recommendations for settlement.

It is envisaged that two months each year will be taken up with field visits throughout the world in order to ensure effective accounting liaison.

Probably in your late 20's you are currently either with a 'Big 8' firm or working in industry in a comparable environment. Previous exposure to international taxation is likely. A persuasive manner, strong interpersonal skills and an aptitude for foreign languages, particularly French, will be distinctly advantageous.

Applicants should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive c.v., quoting ref: 202, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HT.

Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

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BRIDEHALL

An Exceptional Opportunity For An Ambitious Chartered Accountant
With Excellent Career Progression

FINANCIAL SERVICES MANAGER

£20,000 + car

A.C.A.'s 28-32

Central London

Our client is a very large, British owned, multi-national conglomerate (turnover in excess of £3 billion) seeking to recruit a Financial Services Manager to report directly to the European Financial Controller.

The role will comprise quarterly and annual financial consolidation work, a variety of 'ad hoc' investigations linked to possible acquisition or divestment and regular review of the Group's tax position particularly the tax impact of acquisitions.

Candidates, male or female, should be first class accountants rather than auditors with some years' post qualification experience spent in a sizeable diverse manufacturing environment. A good awareness of U.K. corporate tax is very necessary in this position as is the ability to motivate and manage subordinates, mix easily and credibly with members of the Group Board and have an outgoing and enthusiastic personality.

Career prospects exist in controllership or equivalent status short/medium term.

For a detailed information booklet on the appointment please contact George Ormrod B.A. (Oxon) or Bob Collier on 01 836-9501, or write with your C.V. to Douglas Lambias Associates at our London address quoting reference no. 4975.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PE. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountains Street
Manchester M2 2EZ. Tel: 061-236 1953

**DOUGLAS
LAMBIAS**

Douglas Lambias Associates Limited
Accountancy & Management
Recruitment Consultants

DIA

Accountants

Career development faster than
you thought possible

Micro Business Systems plc. is one of the UK's largest computer rental, distribution and service companies and has recently established its first European operation. Since the company's inception just 7 years ago it has been enjoying phenomenal expansion through organic growth and substantial acquisitions.

As a result we can offer exceptional prospects to suitably qualified accountants.

Management Accountant

Eton, Berks

A Management Accountant is needed to assist the Finance Director of MBS Rentals, the largest subsidiary of the group. The position involves the review of existing systems and information flow and the design and implementation of new systems. You will also provide and interpret management information. 1-2 years post qualifying experience in a high technology orientated environment is essential. A car will be provided for this position.

Group Accountant

City of London

We need a newly qualified Accountant to join our young dynamic group head office team which is responsible for corporate reporting, financial planning and treasury. Initially, most of your time will be spent on ad hoc project work, which will include operational review, assistance with acquisitions and involvement with subsidiary company operations.

Both appointments demand a flexible attitude to work and a sense of team spirit. Your energy, self motivation and ambition will be met by the challenge and opportunity of working for a fast growing dynamic young company.

Remuneration is very competitive and will amply reflect the importance of these roles.

Please apply in writing, with full c.v. to: Mr. M. Jessop, Finance Director, Micro Business Systems plc., St. Mary Abchurch House, 123 Cannon Street, London EC4N 5AX.

MBS

HAY-MSL

Member of the Hay Group

Selection Consultancy

Financial Sector

LONDON

The Hay Group is the world's largest human resource consultancy company. Our leadership in Executive Selection and Recruitment Advertising is now linked with the marketing expertise and creative excellence of Saatchi and Saatchi.

Significant UK market growth in 1984 coupled with ambitious plans to expand our presence in the specialist financial sector during 1985 has created this important new role. The key task is to build our management recruitment and selection business in this market. In addition to handling your own portfolio of selection assignments, you will be accountable for business development, planning, forecasting, staff recruitment and training.

Candidates must have a proven record of achievement in financial recruitment consultancy with particular emphasis on the senior end of the market. An accountancy qualification is essential and we are looking for an ambitious, highly motivated individual who has the ability to expand and develop this key market sector. Preferred age 28 to 40.

High base salary plus profit related bonus will be negotiable to attract candidates with a proven record of success. Other benefits include company car, contributory pension, and family BUPA membership.

Consideration will also be given to small consultancy units who would like to explore the possibilities of joining forces with a world leader.

Please write, in complete confidence, with full career details to: Brian G. Woodrow, Managing Director, ref. B.94, HAY-MSL Selection & Advertising Ltd., 52 Grosvenor Gardens, London SW1W 0AW.

This appointment is open to men and women.

ACCOUNTANCY
APPOINTMENTS
APPEAR EVERY
THURSDAY

LUCAS FURNITURE SYSTEMS LIMITED FINANCIAL DIRECTOR (DESIGNATE)

LONDON

SALARY CIRCA £20,000 PLUS CAR

The Directors of our client, a well established and expanding Group, wish to appoint an experienced Chartered Accountant to the position of Financial Controller, initially. This is a challenging position from which an invitation to join the Board will only be gained through hard work in conjunction with a dynamic and commercial contribution to the future success of the Group.

Applications are invited from candidates in the preferred age range of 28-36 whose mature, analytical and professional approach has been gained through previous experience in industrial or commercial organisations.

The successful candidate will be expected to assume immediate responsibility for the supervision of the Group's total financial and company secretarial functions. In addition to the basic salary the appointment will attract appropriate fringe benefits as befit the position.

Applicants who consider themselves well above average and who wish to be considered should apply in writing, submitting a comprehensive C.V. including details of current remuneration and benefits, quoting reference DZ/MSD to:

Mr. A. P. M. Bennett,
Pear, Marwick, Mitchell & Co.,
45, Church Street,
BIRMINGHAM, B3 2DL

**PEAT
MARWICK**

Part Qualified Accountant

To join small, busy, accounting team.

The successful applicant will be expected to use his/her initiative, become familiar with every aspect of the department and work to strict monthly schedules. Practical experience of computerised accounts and the ability to contribute to the continued development of in-house systems is essential.

Good career prospects, attractive salary, free life assurance and membership of our contributory pension scheme await an industrious, flexible person.

Apply in writing with full C.V. to: Sue Wright, Personnel Manager, at the address below.

digital exploration ltd

Digital Exploration Ltd, Digicon House,
Portland Road, East Grinstead, RG19 4HG.

Project Accountant

c. £17,000 + Car

Recently acquired by a substantial group, our East London based client has a turnover of £20 million. Marketing and distributing products internationally, the Company is a dominant force in its sector.

With an emphasis on the development of systems and control procedures, the Accountant will carry out a range of projects covering all areas of the Company's operations. Working closely with the Company's management, he or she will be expected to take an increasingly more responsible role in the financial function.

In their mid to late 20s, applicants should be qualified accountants with industrial/commercial experience. Please write, enclosing a career/salary history and day-time telephone number to: David Hogg FCA, quoting reference 1/2272.

EMA Management Personnel Ltd.
Hutton House, 20/23 Holborn, London EC1N 2JD.
Telephone: 01-242 7773 (24 hour).

FINANCIAL ACCOUNTANT

Based in Welwyn Garden City

Fine Fare is one of Britain's largest food retailers, with over 450 stores and a sales turnover in excess of £1,000 million. There has been a steady increase in our market share and profits, and we are now the largest grocer in Scotland.

We are currently looking for an enthusiastic Financial Accountant to join us at our Head Office based in Welwyn Garden City. Reporting to the Deputy Financial Controller you will be in control of a department of six staff responsible for maintenance of the Company's financial records including the preparation of balance sheets and statistics. Mainframe computers are extensively used and micro computer development is entailed so an appreciation of computer based accountancy systems is preferable.

Previous experience in the preparation of accounting instructions and reports for senior management is essential.

We need a qualified Accountant - ideally aged 27-35, preferably with a Chartered qualification and experience gained in a commercial environment. The ability to communicate well at all levels is important.

The salary for this position is c.£15,000 and large company benefits include assistance with re-location should it be appropriate.

Please apply in writing, giving full details of your career and qualifications to F.M. Spencer, Senior Personnel and Training Officer, Fine Fare Ltd, Gate House, Frithorne Road, Welwyn Garden City, Herts AL8 6NR. Tel: Welwyn Garden 28140.

FINE FARE

Helping you to better opportunities

Handwritten signature: *John A. ...*

Accountancy Appointments

Director of Finance (Partner Designate)

Salary to £45,000 + car

City

Our client is a professional partnership with a substantial national practice. A solid client base and an established City presence has placed them amongst the leaders of their profession.

The development of their internal management structure, stemming from recent and future planned growth, requires the key appointment of a Director of Finance. The successful candidate will take responsibility for all aspects of the financial management of the firm throughout its regional office network and in addition will have line responsibility for the accounts and computer departments of the London office.

The person appointed is likely to be a chartered accountant, aged between 35 and 50, who has a demonstrable record of achievement in a multi location business, preferably within a service industry. Key personal qualities include maturity, creativity and commitment and the ability to integrate successfully into a professional firm's environment.

The exceptional remuneration package offered reflects the importance of the appointment and promotion to partnership status will only be limited by personal performance and contribution.

Candidates should write to Don Day, FCA, Executive Division, enclosing a comprehensive c.v., quoting ref 204, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

COST ACCOUNTANT

S.E. LONDON

Engineering Company in Greenwich

WITH EXPANDING
EXPORT MARKETS
requires a qualified
COST ACCOUNTANT
with the ability to
develop and improve
existing costing system.
Likely qualifications are
A.C.M.A., aged 28-38,
with several years'
experience in
manufacturing
environment. Good
salary will be based on
experience to date.

Write Box A8869
Financial Times
10 Cannon Street
London EC4A 3DF

Financial director

North of England, c£30,000 + car



With a reputation for technical excellence and product reliability, this company is a market leader in its sector of the international capital goods market. A US subsidiary with the majority of its £60 million turnover exported, it is concentrating on expansion opportunities in Europe.

Working closely with the Managing Director your role will be far reaching with the emphasis on business/profit/strategic planning, financial appraisal, performance monitoring and the maintenance of sound financial controls. Key tasks will be to strengthen financial discipline at every level and reshape management information systems to the changing business needs.

A qualified accountant with strong commercial orientation, you should combine a high energy level with a record of achievement in manufacturing or engineering industry, including strong management accounting and control of a substantial company.

Please write enclosing a curriculum vitae and daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. E221.

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& Lybrand
associates**

Coopers & Lybrand Associates Limited
management consultants
5 Albion Place
Leeds LS1 6JT

Financial Accountant UK Subsidiary of Major International Group

West London

£16,000 Package

The Company, which is the UK marketing, distribution and servicing arm of a well-known manufacturer of automotive and power products, has a solid growth record since its establishment some twenty years ago. Turnover is currently in excess of £140M.

Reporting to the Chief Accountant, your responsibilities will include the supervision, assessment and management of

financial accounting staff to ensure the accurate and timely preparation of a variety of financial and management reports and information.

Aged 25/35, you must be qualified and have commercial experience, a flexible attitude towards meeting tight deadlines and the willingness to contribute to the development and continued maintenance of systems and the improvement of reporting procedures. Ref: FT 8958.

**Lloyd
Chapman
Associates**

International
Search and Selection
160 New Bond Street, London W1Y 0HR
Telephone: 01-408 1670

STRATEGIC PLANNING MANAGER

Neg. from £20,000 + car

The Company is Blue Chip and British. Its products are market leaders in consumer durables. The job is to assist the Board in the strategic direction of the business in particular in changing its product/market position. Also to manage some specific projects which cross functional boundaries such as the introduction of new products.

Candidates should be qualified accountants or M.B.A.s with at least four years industrial/commercial experience. A background of mechanical engineering or consumer marketing would be attractive.

The appointment should lead to a senior line management role as the next career step.

Salary is for negotiation above £20,000 p.a. A car is included in the package.

The post is based in North London.

Applications in confidence please to D. M. Lewis as advisor to the Group.

Lewis Briggs International

Suite 8, Barcourt House, 24 Cavendish Square, London W1M 9AD

MONTPELIER INTERNATIONAL PLC

The Company is engaged in the building and management of leisure property developments in Portugal, Spain and France and has a well-established travel agency. Due to its rapid expansion, the Company requires a management accountant to provide projections, budgets and monthly accounts. The work is interesting and involves some foreign travel. Salary is by negotiation according to experience and qualification.

Please reply in writing to:

The Chairman
17 Montpelier Street, London SW7

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, February 28, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments." The advertising rate will be £37.00 per single column centimetre. Special positions are available by arrangement at premium rates of £44.00 per sec. Newly Qualified Accountants, especially Chartered, are never easy to recruit—don't miss this opportunity!

We will also be including in this feature a

GUIDE TO RECRUITMENT CONSULTANTS

and entries in the guide will be charged at £55.00 which will include company name, address and telephone number.

For further details please telephone:

IRENE NOEL on 01-248 5205
ROBERT WINTER on 01-236 9763

or

MIKE HILLS on 01-248 4864

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Chief Accountant

Surrey

c. £17,500 + car + benefits

A major service organisation with a highly visible nationwide network of operation, having reached a particularly interesting stage in its development has identified the need for a suitable qualified accountant (age early 30's).

The initial brief is to optimise financial control and the underlying systems of recording accounting and management data within a developing computerised environment. Thus, detailed knowledge of statutory requirements gained in a high profile organisation is called for. Additionally, experience should cover computer systems and you must be able to demonstrate successful man-management skills plus the personality to deal with both internal and external contacts at the highest level.

The position offers substantial challenge now and planned expansion will ensure continued interest in the longer term. Benefits are attractive and appropriate relocation expenses will be met.

Contact Patrick Donnelly on 01-222 5169 quoting ref. FT/56



The Finance Index
Financial Recruitment Consultants
11 Palmer Street, London SW1A 0AB Tel: 01-222 5169

Hoggett Bowers

Executive Search and Selection Consultants
BERMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Accountant

Leisure Industry

West London, salary to £17,500 + car

This new company, part of a major UK group, has over 1,000 units and a turnover exceeding £200 millions. Reporting and systems are sophisticated and the need now, is for a further young professional who will be specifically responsible for the department that co-ordinates and controls financial accounting. Candidates, preferably aged under 30 years, should have degree level education, professional qualifications and a minimum of two years' industrial/commercial experience. They will be able to cope with detail and thrive under pressure and so prove their potential for further career progression.

LL Duff, Ref: 18075/FT. Male or female candidates should telephone in confidence for a Personal History Form 01-734 6852, Sutherland House, 5/6 Argyle Street, LONDON, W1V 1AD.

Financial Controller

Top job with an expanding food processor
to £25,000 + car : North West

This thriving company, a £multi-million subsidiary of a large international group, manufactures and sells its extensive high volume, high value food product range to major retailers and caterers nationwide. The record of growth is impressive and will be sustained through further investment and even better management control.

Reporting to the Managing Director accountability will be for all financial and management accounting in the UK. With a compact team in support a key objective will be the progressive enhancement of the computerised financial and factory accounting systems. Naturally involvement in the management of the business will be total.

Probably in their late 30's early 40's candidates will be professionally qualified senior financial managers from food, drink, pharmaceutical or other relevant high speed manufacturing industry where exacting management information and control systems are essential for commercial success.

Remuneration for discussion to £25,000. Car and usual big company benefits include costs of relocation to a pleasant part of the North West.

Please write - in confidence - with full career details to John Hodgson ref. B.18312.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
Sovereign House, 12-18 Queen Street, Manchester M2 5HS.
Offices in Europe, the Americas, Africa, Australia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

Financial Controller

Birmingham

c£18,000 + Car

Our client, a wholly owned subsidiary of a major US Corporation and a market leader in the highly competitive electrical/electronic protection and security systems market, is seeking an ambitious accountant to head up their UK finance function.

Responsibility will be to the European Controller and UK Managing Directors for the provision of a comprehensive financial management service to meet company group and statutory reporting requirements, with an accounts/DP staff of over 20. Particular emphasis will be placed on improving internal controls, management information systems development, cash management and in working closely with branch managers on a wide range of commercial activities. The job will involve a significant amount of travel throughout the UK.

The successful applicant will be a well qualified, commercially-minded accountant who has managed a sizeable finance department. Experience of utilising computerised systems is essential as is familiarity with both US and UK accounting practices. Experience of working in a multi-branch organisation company and in supporting commercial managers would be advantageous. The preferred age range is 25-40.

An attractive salary of around £18,000 will be offered and fringe benefits will include an annual bonus scheme (up to 15% of salary), 2 litre company car, medical and pension cover. There are very good prospects for further advancement.

Candidates, male or female, should write, quoting reference MCS/8515 and enclosing full career details to Jerry Wright, Executive Selection Division, Price Waterhouse Associates, Livery House, 169 Edmund Street, PO Box 120, Birmingham B3 2JB. Telephone (021) 236 5011.

**Price
Waterhouse
Business Needs Experts.**

Regional Financial Controller West London

c£23,000 + car + bonus

Our client is the UK subsidiary of an international organisation, specialising in commercial transportation. Operating from 40 offices worldwide, the company is experiencing an exceptional record of growth with turnover of approximately \$120 million.

A creative accountant (aged 30-35) is required to be responsible for a major sector of the company's regional reporting structure. Reporting to the General Manager, this entrepreneurial role will encompass pricing, staffing levels and financial control, necessitating 20% travel.

The successful candidate will be qualified (probably a graduate) with an international service industry background. An outgoing personality, all round technical ability and a strong marketing bias are essential personal qualities; a working knowledge of a major European language would be an advantage.

The negotiable remuneration package includes an attractive bonus and will not be a limiting factor for the right candidate. Applicants should write to Andrew Sales FCCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref. 203, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.



Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Accountancy Appointments

Deputy Finance Director

North West

c£18,000 + car

Our client is a highly successful engineering subsidiary of a major multi-national group, whose name and products are widely respected throughout the world.

The company requires a qualified accountant who will undertake the responsibilities normally associated with a position of this seniority in a progressive organisation. The successful applicant must clearly have the potential to take on higher level appointments within the company or group (not necessarily within the finance function) after appropriate development and experience.

The company operates modern computer-based financial systems, incorporating sophisticated financial planning and management information techniques. Current commitments are to a major D.P. development programme based on M.R.P. and the implementation of fully integrated manufacturing cost control procedures.

Candidates, aged 30-35, should be qualified accountants, of proven professional ability, who must be able to demonstrate the personal presence, managerial ability, communicative and motivational skills required to make an immediate impact at all levels within a major organisation.

Relocation facilities are available where appropriate. Interested applicants should write to Alan Dickinson quoting ref. 7000 at Michael Page Partnership, Clarendon House, 81 Mosley Street, Manchester M2 3LQ. (Tel: 061 228 0396).



Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

AIRLINE ACCOUNTANT International Airline

seeks a qualified Accountant
to head up its
UK accounting operation

Five years' previous airline experience at a senior level is desirable combined with a sound knowledge of computerised accounting procedures. Salary will be commensurate with experience and benefits include BUPA membership and the usual airline concessions.

Applications with full CV to:
Box A9888, Financial Times
10, Cannon Street, London
EC4P 4BY

Trade Finance and A Forfait

Citicorp International Bank Limited is significantly expanding its trade finance services. This development has created immediate opportunities for a senior and a junior marketing officer to join the London Trade Finance Team dealing with A Forfait Finance and other trade-related services.

As a member of a highly professional team based in London you will be involved in all aspects of A Forfait marketing in co-operation with other marketing officers throughout Citicorp's international branch and Capital Markets Group network which operates in 95 countries.

For the senior position, you should ideally be in your late twenties/early thirties, and have considerable experience in the A Forfait market but applicants with a proven marketing background in the trade finance area will be considered.

For the junior position, you should be in your mid-twenties and you should have specific technical experience of A Forfait Finance as you will also be responsible for processing much of the related documentation.

For both positions an attractive compensation package will fully reflect your experience and qualifications. You will also have significant scope to broaden your merchant banking experience and assume additional responsibilities in our Trade Finance Division.

Please write with full personal details to: Hanneke C. Frese, Personnel Officer, Citicorp International Bank Limited, 335 Strand, London WC2 1LS.

CITICORP

BUDGE

Chief Accountant

Nottinghamshire to £17,000 + Car + Bens.

A.F. Budge is a successful construction Group with international interests and a current turnover approaching £100 million. Unrivalled expansion of the business necessitates the appointment of a new Chief Accountant with the strength of character and ability to manage through a period of considerable development.

The new Chief Accountant will be totally responsible for the financial management of the U.K. operation and as such will be a key member of the management team.

The successful candidate will be a qualified accountant, aged 30-40, who can demonstrate a positive and flexible approach to financial management allied with the ability to motivate a highly professional department. Experience of sophisticated computer systems would be highly advantageous.

The benefits include comprehensive relocation facilities where appropriate.

Applicants should write to Peter Hornby, B.Sc. A.C.M.A. (quoting ref. L6412) at Michael Page Partnership, 13/14 Park Place, Leeds, LS1 2SJ, or telephone (0532) 450212.



Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow



Corporate Auditors

Knightsbridge

Texaco is one of the world's leading international oil companies. In line with steady expansion and commitment to the future, a new department is being established at our UK head office. As a result we are seeking two accountants to join our young, rapidly developing corporate audit team. The positions are based at Knightsbridge but will involve some UK travel.

Reporting to the department manager, and working in close association with other management, your responsibilities will include the preparation of preliminary surveys and audit programmes, the review and analysis of internal operating functions and systems, the evaluation of audit test results and the progressing of audit exceptions. Aged 25-30 you must hold a recognised accounting qualification, and have 1-3 years sound audit experience preferably gained in a large firm working on major clients or within internal audit. Good communications skills are essential.

Write enclosing full cv in the first instance to:
Mike Swain, quoting ref: FT/1
Royds Personnel Services Limited
Royds House, Mandeville Place
London W1M 6AE

BADENOCH & CLARK

FINANCIAL CONTROLLER

c. £16,000 + Car + Bonus
CITY

Our client, one of the leading PR and Financial Advertising companies, wishes to recruit a candidate who must be a graduate ACA, aged late 20s/early 30s. Experience of, or a keen interest in, the advertising industry would be advantageous. Man-management experience and some systems implementation exposure are essential. Contact Robert Morgan, BSc.

REGIONAL AUDITOR

c. £15,000 + Attractive Benefits

Our client is a market leading US Bank with a requirement for an additional audit team member. Ideally, applicants should be young, single Chartered Accountants with a minimum of one year's PQE — gained either in a specialist financial audit team within an international firm or in the banking sector.

The position offers an excellent opportunity to become familiar with the bank's operations and represents an excellent springboard for career progression. Contact Robert Digby, BA.

Financial Recruitment Specialists
16-18 New Bridge St, London EC4V 6AU
Telephone 01-583 0073

Financial Controller Zambia

Anglo American Corporation (Central Africa) Limited, a member of the Anglo American Corporation Group of Companies, provides managerial, financial and secretarial services to the Group's operating companies in Zambia.

The Financial Controller reports to the Managing Director and is responsible for advising on and co-ordinating group financial and accounting policies as well as having day-to-day responsibility for the finances of the company.

Candidates should be Chartered Accountants with at least five years post qualifying experience.

A remuneration package which will be set in relation to appropriate experience and qualifications will facilitate both an adequate lifestyle in the Zambian city and substantial overseas savings over a 2 year contract period. Other benefits include free furnished accommodation, car and medical treatment, generous leave and overseas passage entitlement, education bursaries and travel allowances.

Applicants should write with a detailed curriculum vitae to: The Managing Director, P.O. Box 31986, Lusaka, Zambia.

FINANCIAL CONTROLLER/ DIRECTOR DESIGNATE - RETAIL

Harrow, Middx.

£15K to £20K plus car,
share options etc.

A Plc, fully funded, with blue chip backing for a retail venture of major significance, seeks an energetic financial controller with flair to play a key role in the rapid development of this new, growth business.

Candidates must be qualified accountants and have demonstrable experience of POS/EDP systems in a demanding retail environment, as well as the sound commercial judgement required to gain the confidence of financial institutions and a highly-motivated entrepreneurial management team.

The post offers an outstanding opportunity for achievement of a level of responsibility not readily attainable in a larger organisation. Please send detailed C.V. under cover of a hand-written letter to: Martin B. Silverman, Morison Stoneham & Co., Chartered Accountants, 805, Salisbury House, 31 Finsbury Circus, London EC2M 5SQ. Telephone: 01-628 2040 Telex: 888729 MSCO-G.

Morison Stoneham

Chartered Accountants

Finance Director

North Midlands

Not less than £20,000 + car

W. Hermanns and Son Ltd., a major poultry processor supplying its products throughout the United Kingdom, wishes to appoint an experienced Accountant who will take responsibility for the finance and accounting function.

The successful candidate will ensure the provision of an efficient and effective management information system. Major priorities will include the development and implementation of comprehensive, computerised management accounting reports and the maximisation of the company's commercial potential.

Candidates should be qualified accountants with significant experience at a senior managerial level. In addition to well developed accounting skills, candidates should have direct experience of computer based financial and management accounting systems. The personal qualities sought will include the capacity to make a positive contribution as a member of the senior management team, effective communication skills and strong leadership skills.

There is no restriction on salary to the right candidate and our client offers a challenging and stimulating role within a progressive organisation. If necessary, assistance with removal expenses will be given. Please write, enclosing a career/salary history to: C. A. Downes, Executive Selection Division, Price Waterhouse Associates, Victoria House, 76 Milton Street, Nottingham NG1 3QY quoting reference MCS/1967.



Group Financial Control

SUSSEX COAST

c.£15,000 + bonus

Our Client, a highly successful £50 million turnover Group, operates in the specialist area of sales and distribution of building products and services. A number of additional businesses provide essential support to both Group Companies and third parties.

The Group Financial Manager, who is also a main Board Director, wishes to appoint an Accountant who will play a leading role in the development of accounting policy and practice. The Group philosophy is to encourage flair and creativity in business managers rather than restrict it with rigid control systems. Particular areas of involvement will include budgeting and forecasting, cash management and the preparation and interpretation of Group accounts.

Applicants aged 40-50, must be qualified accountants with wide experience of financial management. The ability to gain the confidence of Directors and make a significant contribution to policy in a progressive multi site/multi business environment is essential.

REWARDS: Salary is for discussion c.£15,000. Benefits include a substantial performance related bonus, pension scheme, BUPA and assistance with relocation where necessary.

Applicants of either sex apply in confidence.

Ref: 981

Hales & Hindmarsh Associates Ltd.

Century House, Jewry Street,
Winchester, Hampshire
Tel: (0962) 62253

Search and Selection

Divisional Accountant

Romford c. £20,000 per annum

We are one of the leading UK Financial Services Companies and our major activities are Unit Trusts, Life Assurance, Pensions and Banking.

A first class opportunity has arisen within our Finance Department for a Divisional Accountant. Reporting to the Group Finance Manager, you will be responsible for monitoring and reporting on the profitability of all areas of the Group including control and reporting on management expenses, costing, cashiers and sales reporting. You will also control the development of automated accounting systems. You will manage a department of about 30 staff. You should be a qualified accountant, aged ideally 28-40, with at least five years experience in line accounting management. This is a senior position and you will need the personality to communicate at all levels within the Group. We offer a salary in the region of £20,000 per annum plus a car, generous non-contributory pension scheme, free life assurance and BUPA and other normal company benefits.

Please apply to Alex Holmes, Head of Personnel, Save & Prosper Group Ltd., Hexagon House, 28, Western Road, Romford. Tel: Romford (0708) 68966.



**SAVE &
PROSPER**

FINANCIAL ADMINISTRATOR

An International Group of Consulting Engineers invites applications for the position of Financial Administrator working in their West End offices. Applicants should be qualified accountants, aged over 35 years, with several years' experience of computerised accounting systems. The successful applicant will assume control of the fully computerised integrated management and accounting functions within the Group and will make a positive contribution at management level through initiative. Confidence and good communication skills are required for this demanding post.

Preference will be given to candidates with relevant commercial experience and in particular "hands on" computer experience.

Please send your application and C.V. to:
Mr. H. R. Brown, SIMON LEWIS WAYNE & PARTNERS
Charter House, Queen's Avenue, London N21 3JE

Recently Qualified Highly Visible Career Stepping Stone

London

c£14-16,500 + Mortgage etc

This is an excellent opportunity to make the transition from the Profession to Commerce. You will join a small team undertaking constructive reviews and appraisals of the Group's activities — a wide ranging brief which will provide a real insight into the many facets of the Group's diverse business.

Our client, a major commercial group, can offer a variety of stimulating career opportunities.

This is therefore seen as a development position enabling you to gain commercial experience, demonstrate your skills and, working with management at all levels, make an essential contribution to financial control.

A very competitive remuneration package will be negotiated.

**Lloyd
Management**

Contact David Ted BSC FCA
on 01-405 3499
quoting ref: D/50/DF

125 High Holborn London WC1V 6QA Selection Consultants

01-405 3499

Handwritten signature: JPL, in 1/85

Prices at 3pm, January 23

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مکاتبات

Continued on Page 40

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SECRET

LONDON STOCK EXCHANGE

MARKET REPORT

Oil price rumours trigger equity market shake-out
Index falls 20.8 to 1,003.7

Account Dealing Dates
Option
*First Dealing Last Account
Dealing Date Dealing Day
Jan 14 Jan 24 Jan 25 Feb 4
Jan 25 Feb 7 Feb 8 Feb 15
Feb 11 Feb 21 Feb 22 Mar 4
*New-time dealing was one
place from 6.30 am two business
days earlier.

Renewed speculation about oil prices brought an abrupt change in direction in London equities yesterday. Middle East reports that OPEC would cut its benchmark price, this weekend by \$2.50 a barrel were strenuously denied by the organisation's news agency, but international crude oil and financial markets remained uncertain.

London equity dealers were grateful after six days of sharply rising share prices, for any change to balance their books. Their defensive tactics of lowering values at the opening shock out some nervous holders and also triggered net profit-taking.

The ensuing above-average selling orders were effected in the early trade with little difficulty. Leading stocks made few real attempts at a rally during official hours and only managed a tentative recovery in the afternoon.

The FT Ordinary share index measured the overall set-back with a fall of 20.8 to 1,003.7 but that followed a rise of 75 points over the previous six sessions.

Conventional gilt-edged securities were unsettled by the renewed exchange rate uncertainty which followed the oil price scare. Quotations initially tried to resist the fall in sterling but its late evening against the dollar — the rate edged down to 1.75 — rattled a sensitive market and prices closed lower in places. However, the popularity of index-linked stocks showed little sign of abating and selected issues rose a point.

Stock shortages were a factor following exhaustion this week of the authorities' supply of oil.

Treasury 24 per cent gilt and Treasury 21 per cent 2001.

Insurances easier

Insurances succumbed to profit-taking as the oil price scare followed a two-day decline of 17 to 246p as take-over hopes faded following recent news that Mills and Allen International had acquired a 5 per cent stake in the

company, the 2.7m shares were placed by brokers Rowe and Pitman with various institutions. Other Lloyd's brokers drifted lower with C. 2. Health closing 6 nif at 620p and Sedgwick 3 down at 370p. Composites closed with falls ranging to 5. GRE, at 650p, and Royals, at 620p, both cheapened that amount, while General Accident slipped 5 to 520p and Commercial Union softened a few pence to 200p.

Among 145 issues, legal and General dropped 10 to 563p as did Prudential, to 525p.

Clearing banks turned easier as buyers withdrew, leaving the way clear for sporadic bouts of profit-taking. Midland fell 8 to 347p and Lloyds gave up 5 to 538p. Elsewhere, Bank of Scotland lost 7 to 475p and Royal National Bank 6 to 248p.

Already a shade firmer ahead of the results, cleared by a new peak of 831p following news of the 54 per cent increase in annual profits.

The shake-out took its toll on leading Breweries, although only small selling was reported. Whitbread A, 214p, and Bass, 510p, dipped 7 apiece, while Allied-Lyons sagged 3 to 175p.

Arthur Guinness bucked the trend and finished a net penny to the good at 240p, after 236p. Regional provided a noteworthy drop spot in Vaux which rose 6 more to 292p in front of next week's annual presentation to brokers.

Leading Building issues opened easier and weakened further on profit-taking before staging a minor rally. Blue Circle, favoured by U.S. investors on Tuesday, dipped to 200p before recovering. American buying left the close just 3 cheaper on balance at 515p.

Redland, however, gave up 8 to 284p and B&B Industries shed 7 to 200p. Among Times Treat Holdings added 3 to 100p ahead of next Wednesday's interim results.

After opening around 10 lower on the oil price scare, ICI staged a useful rally and closed only 4 cheaper on balance at 515p. Among other Chemicals, Allied Colloids gave up 10 to 420p and Croda fell 6 to 412p. Arrow shed 6 to 68p as bid hopes faded, but Stewart Plastics firmed 4 to 92p following satisfactory interim results.

W H Smith lower

A fairly buoyant sector of late. Stores wavered in the face of profit-taking. Marks and Spencer, 4 down at 252p, led the leaders lower, while Debenhams, 3 down at 211p, and Gossie A, the same amount cheaper at 723p, British Home eased 5 to 259p, and Habitat 4 International bid-dispatched at 46p, near 8 per cent stake in the

FINANCIAL TIMES STOCK INDICES

	Jan. 23	Jan. 22	Jan. 21	Jan. 20	Jan. 19	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 14	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 9	Jan. 8	Jan. 7	Jan. 6	Jan. 5	Jan. 4	Jan. 3	Jan. 2	Jan. 1	Dec. 31	Dec. 30	Dec. 29	Dec. 28	Dec. 27	Dec. 26	Dec. 25	Dec. 24	Dec. 23	Dec. 22	Dec. 21	Dec. 20	Dec. 19	Dec. 18	Dec. 17	Dec. 16	Dec. 15	Dec. 14	Dec. 13	Dec. 12	Dec. 11	Dec. 10	Dec. 9	Dec. 8	Dec. 7	Dec. 6	Dec. 5	Dec. 4	Dec. 3	Dec. 2	Dec. 1	Nov. 30	Nov. 29	Nov. 28	Nov. 27	Nov. 26	Nov. 25	Nov. 24	Nov. 23	Nov. 22	Nov. 21	Nov. 20	Nov. 19	Nov. 18	Nov. 17	Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11	Nov. 10	Nov. 9	Nov. 8	Nov. 7	Nov. 6	Nov. 5	Nov. 4	Nov. 3	Nov. 2	Nov. 1	Oct. 31	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Oct. 26	Oct. 25	Oct. 24	Oct. 23	Oct. 22	Oct. 21	Oct. 20	Oct. 19	Oct. 18	Oct. 17	Oct. 16	Oct. 15	Oct. 14	Oct. 13	Oct. 12	Oct. 11	Oct. 10	Oct. 9	Oct. 8	Oct. 7	Oct. 6	Oct. 5	Oct. 4	Oct. 3	Oct. 2	Oct. 1	Sep. 30	Sep. 29	Sep. 28	Sep. 27	Sep. 26	Sep. 25	Sep. 24	Sep. 23	Sep. 22	Sep. 21	Sep. 20	Sep. 19	Sep. 18	Sep. 17	Sep. 16	Sep. 15	Sep. 14	Sep. 13	Sep. 12	Sep. 11	Sep. 10	Sep. 9	Sep. 8	Sep. 7	Sep. 6	Sep. 5	Sep. 4	Sep. 3	Sep. 2	Sep. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Jul. 31	Jul. 30	Jul. 29	Jul. 28	Jul. 27	Jul. 26	Jul. 25	Jul. 24	Jul. 23	Jul. 22	Jul. 21	Jul. 20	Jul. 19	Jul. 18	Jul. 17	Jul. 16	Jul. 15	Jul. 14	Jul. 13	Jul. 12	Jul. 11	Jul. 10	Jul. 9	Jul. 8	Jul. 7	Jul. 6	Jul. 5	Jul. 4	Jul. 3	Jul. 2	Jul. 1	Jun. 30	Jun. 29	Jun. 28	Jun. 27	Jun. 26	Jun. 25	Jun. 24	Jun. 23	Jun. 22	Jun. 21	Jun. 20	Jun. 19	Jun. 18	Jun. 17	Jun. 16	Jun. 15	Jun. 14	Jun. 13	Jun. 12	Jun. 11	Jun. 10	Jun. 9	Jun. 8	Jun. 7	Jun. 6	Jun. 5	Jun. 4	Jun. 3	Jun. 2	Jun. 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	Apr. 30	Apr. 29	Apr. 28	Apr. 27	Apr. 26	Apr. 25	Apr. 24	Apr. 23	Apr. 22	Apr. 21	Apr. 20	Apr. 19	Apr. 18	Apr. 17	Apr. 16	Apr. 15	Apr. 14	Apr. 13	Apr. 12	Apr. 11	Apr. 10	Apr. 9	Apr. 8	Apr. 7	Apr. 6	Apr. 5	Apr. 4	Apr. 3	Apr. 2	Apr. 1	Mar. 31	Mar. 30	Mar. 29	Mar. 28	Mar. 27	Mar. 26	Mar. 25	Mar. 24	Mar. 23	Mar. 22	Mar. 21	Mar. 20	Mar. 19	Mar. 18	Mar. 17	Mar. 16	Mar. 15	Mar. 14	Mar. 13	Mar. 12	Mar. 11	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 6	Mar. 5	Mar. 4	Mar. 3	Mar. 2	Mar. 1	Feb. 28	Feb. 27	Feb. 26	Feb. 25	Feb. 24	Feb. 23	Feb. 22	Feb. 21	Feb. 20	Feb. 19	Feb. 18	Feb. 17	Feb. 16	Feb. 15	Feb. 14	Feb. 13	Feb. 12	Feb. 11	Feb. 10	Feb. 9	Feb. 8	Feb. 7	Feb. 6	Feb. 5	Feb. 4	Feb. 3	Feb. 2	Feb. 1	Jan. 31	Jan. 30	Jan. 29	Jan. 28	Jan. 27	Jan. 26	Jan. 25	Jan. 24	Jan. 23	Jan. 22	Jan. 21	Jan. 20	Jan. 19	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 14	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 9	Jan. 8	Jan. 7	Jan. 6	Jan. 5	Jan. 4	Jan. 3	Jan. 2	Jan. 1	Dec. 31	Dec. 30	Dec. 29	Dec. 28	Dec. 27	Dec. 26	Dec. 25	Dec. 24	Dec. 23	Dec. 22	Dec. 21	Dec. 20	Dec. 19	Dec. 18	Dec. 17	Dec. 16	Dec. 15	Dec. 14	Dec. 13	Dec. 12	Dec. 11	Dec. 10	Dec. 9	Dec. 8	Dec. 7	Dec. 6	Dec. 5	Dec. 4	Dec. 3	Dec. 2	Dec. 1	Nov. 30	Nov. 29	Nov. 28	Nov. 27	Nov. 26	Nov. 25	Nov. 24	Nov. 23	Nov. 22	Nov. 21	Nov. 20	Nov. 19	Nov. 18	Nov. 17	Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11	Nov. 10	Nov. 9	Nov. 8	Nov. 7	Nov. 6	Nov. 5	Nov. 4	Nov. 3	Nov. 2	Nov. 1	Oct. 31	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Oct. 26	Oct. 25	Oct. 24	Oct. 23	Oct. 22	Oct. 21	Oct. 20	Oct. 19	Oct. 18	Oct. 17	Oct. 16	Oct. 15	Oct. 14	Oct. 13	Oct. 12	Oct. 11	Oct. 10	Oct. 9	Oct. 8	Oct. 7	Oct. 6	Oct. 5	Oct. 4	Oct. 3	Oct. 2	Oct. 1	Sep. 30	Sep. 29	Sep. 28	Sep. 27	Sep. 26	Sep. 25	Sep. 24	Sep. 23	Sep. 22	Sep. 21	Sep. 20	Sep. 19	Sep. 18	Sep. 17	Sep. 16	Sep. 15	Sep. 14	Sep. 13	Sep. 12	Sep. 11	Sep. 10	Sep. 9	Sep. 8	Sep. 7	Sep. 6	Sep. 5	Sep. 4	Sep. 3	Sep. 2	Sep. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Jul. 31	Jul. 30	Jul. 29	Jul. 28	Jul. 27	Jul. 26	Jul. 25	Jul. 24	Jul. 23	Jul. 22	Jul. 21	Jul. 20	Jul. 19	Jul. 18	Jul. 17	Jul. 16	Jul. 15	Jul. 14	Jul. 13	Jul. 12	Jul. 11	Jul. 10	Jul. 9	Jul. 8	Jul. 7	Jul. 6	Jul. 5	Jul. 4	Jul. 3	Jul. 2	Jul. 1	Jun. 30	Jun. 29	Jun. 28	Jun. 27	Jun. 26	Jun. 25	Jun. 24	Jun. 23	Jun. 22	Jun. 21	Jun. 20	Jun. 19	Jun. 18	Jun. 17	Jun. 16	Jun. 15	Jun. 14	Jun. 13	Jun. 12	Jun. 11	Jun. 10	Jun. 9	Jun. 8	Jun. 7	Jun. 6	Jun. 5	Jun. 4	Jun. 3	Jun. 2	Jun. 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	Apr. 30	Apr. 29	Apr. 28	Apr. 27	Apr. 26	Apr. 25	Apr. 24	Apr. 23	Apr. 22	Apr. 21	Apr. 20	Apr. 19	Apr. 18	Apr. 17	Apr. 16	Apr. 15	Apr. 14	Apr. 13	Apr. 12	Apr. 11	Apr. 10	Apr. 9	Apr. 8	Apr. 7	Apr. 6	Apr. 5	Apr. 4	Apr. 3	Apr. 2	Apr. 1	Mar. 31	Mar. 30	Mar. 29	Mar. 28	Mar. 27	Mar. 26	Mar. 25	Mar. 24	Mar. 23	Mar. 22	Mar. 21	Mar. 20	Mar. 19	Mar. 18	Mar. 17	Mar. 16	Mar. 15	Mar. 14	Mar. 13	Mar. 12	Mar. 11	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 6	Mar. 5	Mar. 4	Mar. 3	Mar. 2	Mar. 1	Feb. 28	Feb. 27	Feb. 26	Feb. 25	Feb. 24	Feb. 23	Feb. 22	Feb. 21	Feb. 20	Feb. 19	Feb. 18	Feb. 17	Feb. 16	Feb. 15	Feb. 14	Feb. 13	Feb. 12	Feb. 11	Feb. 10	Feb. 9	Feb. 8	Feb. 7	Feb. 6	Feb. 5	Feb. 4	Feb. 3	Feb. 2	Feb. 1	Jan. 31	Jan. 30	Jan. 29	Jan. 28	Jan. 27	Jan. 26	Jan. 25	Jan. 24	Jan. 23	Jan. 22	Jan. 21	Jan. 20	Jan. 19	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 14	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 9	Jan. 8	Jan. 7	Jan. 6	Jan. 5	Jan. 4	Jan. 3	Jan. 2	Jan. 1	Dec. 31	Dec. 30	Dec. 29	Dec. 28	Dec. 27	Dec. 26	Dec. 25	Dec. 24	Dec. 23	Dec. 22	Dec. 21	Dec. 20	Dec. 19	Dec. 18	Dec. 17	Dec. 16	Dec. 15	Dec. 14	Dec. 13	Dec. 12	Dec. 11	Dec. 10	Dec. 9	Dec. 8	Dec. 7	Dec. 6	Dec. 5	Dec. 4	Dec. 3	Dec. 2	Dec. 1	Nov. 30	Nov. 29	Nov. 28	Nov. 27	Nov. 26	Nov. 25	Nov. 24	Nov. 23	Nov. 22	Nov. 21	Nov. 20	Nov. 19	Nov. 18	Nov. 17	Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11	Nov. 10	Nov. 9	Nov. 8	Nov. 7	Nov. 6	Nov. 5	Nov. 4	Nov. 3	Nov. 2	Nov. 1	Oct. 31	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Oct. 26	Oct. 25	Oct. 24	Oct. 23	Oct. 22	Oct. 21	Oct. 20	Oct. 19	Oct. 18	Oct. 17	Oct. 16	Oct. 15	Oct. 14	Oct. 13	Oct. 12	Oct. 11	Oct. 10	Oct. 9	Oct. 8	Oct. 7	Oct. 6	Oct. 5	Oct. 4	Oct. 3	Oct. 2	Oct. 1	Sep. 30	Sep. 29	Sep. 28	Sep. 27	Sep. 26	Sep. 25	Sep. 24	Sep. 23	Sep. 22	Sep. 21	Sep. 20	Sep. 19	Sep. 18	Sep. 17	Sep. 16	Sep. 15	Sep. 14	Sep. 13	Sep. 12	Sep. 11	Sep. 10	Sep. 9	Sep. 8	Sep. 7	Sep. 6	Sep. 5	Sep. 4	Sep. 3	Sep. 2	Sep. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Jul. 31	Jul. 30	Jul. 29	Jul. 28	Jul. 27	Jul. 26	Jul. 25	Jul. 24	Jul. 23	Jul. 22	Jul. 21	Jul. 20	Jul. 19	Jul. 18	Jul. 17	Jul. 16	Jul. 15	Jul. 14	Jul. 13	Jul. 12	Jul. 11	Jul. 10	Jul. 9	Jul. 8	Jul. 7	Jul. 6	Jul. 5	Jul. 4	Jul. 3	Jul. 2	Jul. 1	Jun. 30	Jun. 29	Jun. 28	Jun. 27	Jun. 26	Jun. 25	Jun. 24	Jun. 23	Jun. 22	Jun. 21	Jun. 20	Jun. 19	Jun. 18	Jun. 17	Jun. 16	Jun. 15	Jun. 14	Jun. 13	Jun. 12	Jun. 11	Jun. 10	Jun. 9	Jun. 8	Jun. 7	Jun. 6	Jun. 5	Jun. 4	Jun. 3	Jun. 2	Jun. 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	Apr. 30	Apr. 29	Apr. 28	Apr. 27	Apr. 26	Apr. 25	Apr. 24	Apr. 23	Apr. 22	Apr. 21	Apr. 20	Apr. 19	Apr. 18	Apr. 17	Apr. 16	Apr. 15	Apr. 14	Apr. 13	Apr. 12	Apr. 11	Apr. 10	Apr. 9	Apr. 8	Apr. 7	Apr. 6	Apr. 5	Apr. 4	Apr. 3	Apr. 2	Apr. 1	Mar. 31	Mar. 30	Mar. 29	Mar. 28	Mar. 27	Mar. 26	Mar. 25	Mar. 24	Mar. 23	Mar. 22	Mar. 21	Mar. 20	Mar. 19	Mar. 18	Mar. 17	Mar. 16	Mar. 15	Mar. 14	Mar. 13	Mar. 12	Mar. 11	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 6	Mar. 5	Mar. 4	Mar. 3	Mar. 2	Mar. 1	Feb. 28	Feb. 27	Feb. 26	Feb. 25	Feb. 24	Feb. 23	Feb. 22	Feb. 21	Feb. 20	Feb. 19	Feb. 18	Feb. 17	Feb. 16	Feb. 15	Feb. 14	Feb. 13	Feb. 12	Feb. 11	Feb. 10	Feb. 9	Feb. 8	Feb. 7	Feb. 6	Feb. 5	Feb. 4	Feb. 3	Feb. 2	Feb. 1	Jan. 31	Jan. 30	Jan. 29	Jan. 28	Jan. 27	Jan. 26	Jan. 25	Jan. 24	Jan. 23	Jan. 22	Jan. 21	Jan. 20	Jan. 19	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 14	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 9	Jan. 8	Jan. 7	Jan. 6	Jan. 5	Jan. 4	Jan. 3	Jan. 2	Jan. 1	Dec. 31	Dec. 30	Dec. 29	Dec. 28	Dec. 27	Dec. 26	Dec. 25	Dec. 24	Dec. 23	Dec. 22	Dec. 21	Dec. 20	Dec. 19	Dec. 18	Dec. 17	Dec. 16	Dec. 15	Dec. 14	Dec. 13	Dec. 12	Dec. 11	Dec. 10	Dec. 9	Dec. 8	Dec. 7	Dec. 6	Dec. 5	Dec. 4	Dec. 3	Dec. 2	Dec. 1	Nov. 30	Nov. 29	Nov. 28	Nov. 27	Nov. 26	Nov. 25	Nov. 24	Nov. 23	Nov. 22	Nov. 21	Nov. 20	Nov. 19	Nov. 18	Nov. 17	Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11	Nov. 10	Nov. 9	Nov. 8	Nov. 7	Nov. 6	Nov. 5	Nov. 4	Nov. 3	Nov. 2	Nov. 1	Oct. 31	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Oct. 26	Oct. 25	Oct. 24	Oct. 23	Oct. 22	Oct. 21	Oct. 20	Oct. 19	Oct. 18	Oct. 17	Oct. 16	Oct. 15	Oct. 14	Oct. 13	Oct. 12	Oct. 11	Oct. 10	Oct. 9	Oct. 8	Oct. 7	Oct. 6	Oct. 5	Oct. 4	Oct. 3	Oct. 2	Oct. 1	Sep. 30	Sep. 29	Sep. 28	Sep. 27	Sep. 26	Sep. 25	Sep. 24	Sep. 23	Sep. 22	Sep. 21	Sep. 20	Sep. 19	Sep. 18	Sep. 17	Sep. 16	Sep. 15	Sep. 14	Sep. 13	Sep. 12	Sep. 11	Sep. 10	Sep. 9	Sep. 8	Sep. 7	Sep. 6	Sep. 5	Sep. 4	Sep. 3	Sep. 2	Sep. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Jul. 31	Jul. 30	Jul. 29	Jul. 28	Jul. 27	Jul. 26	Jul. 25	Jul. 24	Jul. 23	Jul. 22	Jul. 21	Jul. 20	Jul. 19	Jul. 18
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